DOCUMENT RESUME

ED 441 364 HE 032 820

AUTHOR	Ingram, Richard T.; Weary, William A.
TITLE	Presidential & Board Assessment in Higher Education: Purposes, Policies & Strategies.
INSTITUTION	Association of Governing Boards of Universities and Colleges, Washington, DC.
PUB DATE	2000-00-00
NOTE	91p.; Produced with the collaboration of Mary Patterson McPherson and Barry Munitz. For "Presidential Compensation in Higher Education," see HE 032 819.
AVAILABLE FROM	Association of Governing Boards of Universities and Colleges, One Dupont Circle, Suite 400, Washington, DC 20036 ($29.95). Tel: 800-356-6317 (Toll Free); Web site: http://www.agb.org.
PUB TYPE	Guides - Non-Classroom (055) -- Tests/Questionnaires (160)
EDRS PRICE	EDRS Price MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	*College Presidents; Evaluation Methods; Governance; Governing Boards; *Higher Education; Leadership; *Performance Based Assessment; Self Evaluation (Individuals); Trustees

ABSTRACT

This publication argues for a tripartite policy in higher education that integrates presidential and board reviews and sets out assessment policies that recognize that finding and retaining executive leadership is the board's first responsibility, that integrate presidential and board performance reviews, that make clear that the governing board is responsible for reviewing the chief executive's performance, and that clearly articulate the primary purpose of the review. The report advocates a systematic approach to performance assessment which includes: (1) annual review of presidential stewardship, emphasizing mutual goal setting by means of a written management review or self-assessment prepared by the chief executive and formally reviewed by the board; (2) periodic reviews of board performance facilitated by a qualified person using an appropriate self-study survey of all board members; (3) periodic, structured, comprehensive, and simultaneous reviews of presidential and board performance; and (4) periodic review of individual trustee commitment and performance, discussing two approaches that increasing numbers of boards are using (and including illustrative forms and survey instruments). Nine appendixes present illustrative policies and procedures; an illustrative statement of board member commitment and responsibilities; highlights of a national survey of presidential performance and board performance assessment policies and practices; and suggested readings. (SM)

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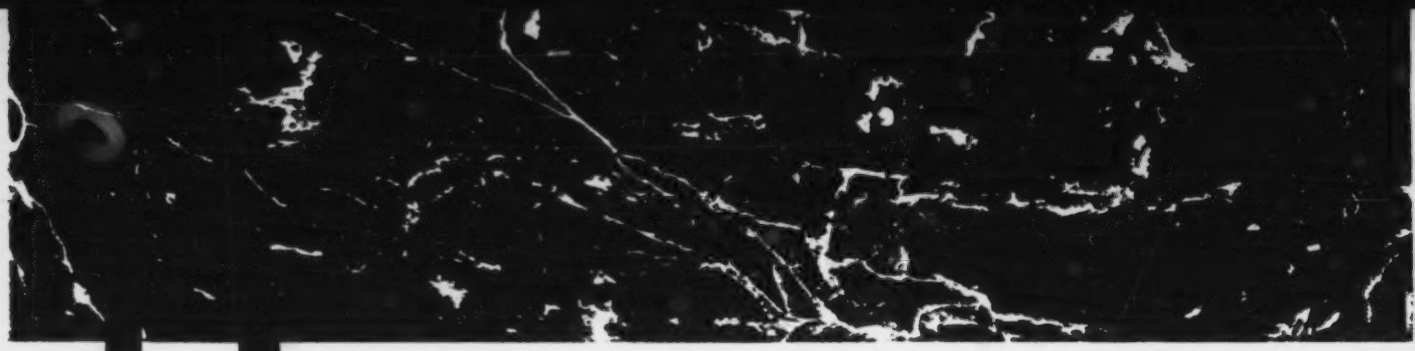

Presidential & Board Assessment in Higher Education

Purposes, Policies & Strategies

ED 441 364

BY RICHARD T. INGRAM
AND WILLIAM A. WEARY

WITH THE COLLABORATION OF
MARY PATTERSON McPHERSON
AND BARRY MUNITZ

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AGB

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Preface

"Do not make life more difficult by suggesting more 'stuff.' It is hard enough without boards getting more ideas." These two sentences, written by an apparently beleaguered president in response to the national survey cited throughout this book, convey sentiments well beyond their few words, realities that trustees and presidents should keep in mind as they explore the purposes, policies, and strategies governing presidential and board assessment.

The "stuff" of performance assessment can easily become a tail that wags the dog, rather than a means to strengthen leadership, governance, and management and provide greater stability. For performance assessment to work, the approach must be reasonably simple in design and implementation, yet it must yield substantive results. The process should be as low key as possible and sensitive to the fact that the academic presidency continues to be one of the most complex jobs in the nation. As Charles Dickens wrote in *Nicholas Nickleby,* "Natur' is more easier conceived than described."

Colleges and universities are among the most "political" of all institutions in our society. Although many chief executives receive support from their faculties, most have only one place to look for consistent encouragement and support: their governing boards. Common sense, civility, fairness, and great wisdom must prevail if an already difficult job is to remain manageable—and if we are to develop our institutions to their full potential.

It also is true that the governing board's responsibilities are complex and no less important to fulfill. What's more, distinguishing between the behaviors of constructive and destructive trustee "activists" often can be difficult. The candid discussion and the mutual respect and trust that flow from sound assessment processes can help boards make relevant distinctions and sound decisions.

This book makes a case for a tripartite policy that integrates presidential and board reviews. Different institutions may adapt these reviews according to their needs and traditions, of course, but assessing the performance of a president or chancellor without a commensurate emphasis on the performance of the governing board and its individual trustees is inappropriate and inadequate. What's more, the various components of performance assessment cannot and should not occur at the same time. The policy this book outlines shows how boards and their presidents can, in the course of five-to-ten-year cycles, strengthen their leadership, make it more effective, and lend it greater stability. This work makes no claim to having "the only answer," but it posits that trustees and

presidents can readily grasp an effective policy, implement it with relative ease, and periodically reassess the experience.

This work also holds that sound assessment policies should do the following:

- Recognize that finding and retaining exceptional executive leadership is the board's first responsibility, followed by its parallel responsibility of keeping its own house in order and serving its institution and the public trust with distinction.
- Integrate presidential and board performance reviews and link them with presidential search policies and practices.
- Make clear that the governing board is responsible for reviewing the chief executive's performance and that the chief executive plays a critical role in helping to shape the board's policies and practices.
- Clearly articulate the primary purposes the review process should serve.
- Respect and reflect the organization's traditions and values to ensure the institution's viability, health, and welfare.
- Protect the integrity of the incumbent chief executive, the presidency, the board, collaborative governance, and the institution.
- Make the best use of reliable information without trivializing the complex and interdependent behaviors and performances that are being reviewed. In practice, this means the performance review process relies heavily on interviews and self-assessments, makes proper use of written materials, and benefits from the highest quality professional assistance when appropriate.

This book advocates a systematic approach to performance assessment that includes three elements consistent with the foregoing themes:

1. An annual review of presidential stewardship that emphasizes mutual goal setting, principally by means of a written management review or self-assessment prepared by the chief executive and formally reviewed with the board (Chapter 2).

2. Periodic reviews of board performance—every three to four years—facilitated by a qualified person using an appropriate self-study survey of all board members (Chapter 3).

3. Periodic, structured, comprehensive, and simultaneous reviews of presidential and board performance—every five to ten years—when the chief executive has successfully provided five or more years of service. Qualified consultants should advise on and conduct the process, which should rely on interviews with appropriate institutional leaders and external stakeholders (Chapter 4).

Chapter 5 urges adoption of a fourth element—periodic review of individual trustee commitment and performance—and discusses two approaches that increasing numbers of boards are using with satisfaction.

Some readers may disagree with certain policies and practices suggested in this book, or they may be overwhelmed by their detail. Different institutions may need to adapt some of the policies and practices to their own institutional settings. It also is likely that many chief executives and board leaders who see the value of implementing some of these ideas will face enormous obstacles. It will require no small amount of courage and persistence, especially from the board chair, to bring about meaningful change and improvement.

Acknowledgments

The authors are grateful to two colleagues who collaborated in the preparation of this book: Mary Patterson McPherson and Barry Munitz. Among many other distinctions, Mary Patterson McPherson served as president of Bryn Mawr College for 19 years. She is now program officer and vice president of the Andrew W. Mellon Foundation. Barry Munitz, now president of the J. Paul Getty Trust, is a long-time student of presidential performance assessment. In his distinguished career, he has served as chancellor of the California State University and the University of Houston. Their insights and experience were incalculable, and we appreciate their substantial contributions to the book's preparation even as readers should hold them harmless from its shortcomings.

To John W. Nason, whose early work on presidential assessment and many other endeavors for

AGB over nearly 20 years have helped to strengthen the conduct of academic trusteeship, we extend our special thanks for his contributions to our thinking. He offered many suggestions for improvements by critiquing an early draft.

We also express our appreciation to Merrill P. Schwartz, AGB director of special projects, whose doctoral dissertation surveys on presidential and board assessment proved to be very helpful, and to Barbara L. Perkins, AGB director of the Zwingle Resource Center, whose diligence and competence in preparing the annotated bibliography and in finding many useful written materials contributed substantively to this project.

Finally, we express our appreciation to those members of the AGB Council of Board Chairs and Council of Presidents who offered critiques, and to Daniel J. Levin, AGB vice president for publications, for editing the book and shepherding it through the publishing process.

Tom Ingram and Bill Weary
Washington, D.C.
January 2000

Quotations from John W. Nason's seminal work,* Presidential Assessment, *appear throughout this book.

– J.W.N.

CHAPTER 1

The Changing Environment of Performance Assessment

Governing boards and chief executives have many difficult choices to make in shaping a meaningful program of performance review. The good news is that there are many options to consider. The bad news is that some work much better than others, and the worst of them can do much harm—to people and to institutions. There are many perplexing questions and issues to consider in the complex process of performance assessment.

One of the most vexing questions is this one: How do we know that the time and expense are worth the effort, especially given the downside risk of doing more harm than good? That is, how do we know that presidential, governing board, and trustee performance-assessment processes demonstrably strengthen leadership? Over the last two decades, experience has told us, and a national survey of presidents and board chairs conducted in 1998 for AGB by Merrill Schwartz confirms, that sound presidential assessment policies and practices can indeed add value and make a positive difference (Appendix G).

In the Schwartz survey of presidents, about 77 percent of all responding chief executives said they were "satisfied with the review," and 71 percent felt "good about how it was conducted" (with insignificant differences in these numbers between the public and independent sectors). Less than 5 percent of the presidents and 3 percent of the board chairs reported adverse effects for the president from their most recent assessment process.

The presidents who reported positive experiences with their reviews offered a long and diverse list of results. These included ideas to strengthen their personal management and leadership styles, self-confidence, sense of reaffirmation, personal health, communication techniques with the board, goals and priorities, and relationships with faculty and staff. Presidents also said their reviews affected their decisions to stay (or leave), their compensation and employment agreements, and much more. They reported some disappointments—including the lack of substantive and candid feedback—but cited far more positive than negative outcomes.

Schwartz's survey also confirms the value of board assessment, as do other studies of board performance (Appendix H). Nearly 75 percent of the chairs whose boards undertook self-study processes of some kind said they were "satisfied" or "very satisfied" with their results, especially in clarifying board and trustee responsibilities and increasing trustee commitment. Only about 15 percent said they were "very unsatisfied" or "unsatisfied" with the results. Differences between the views of chairs in the

public and private sectors were negligible. Moreover, consensus now exists on what constitutes effective trusteeship, as does a substantial body of knowledge concerning the theory and practice of trusteeship and organizational leadership.

Historical Perspective on the Academic Presidency

President Kingman Brewster of Yale University asked his governing board in 1969 to determine, based on a comprehensive look at his performance, whether he should continue for another period of service as university president. His controversial call led to heightened demands for greater accountability from those "in charge." Student activists on many campuses asked chief executives and governing boards to explain their decisions and policies, and they questioned the authority of all campus officials. Faculty activists joined the movement and requested clarification of the faculty's place in academic governance—including the selection and assessment of presidents and chancellors. With the country in the midst of the Vietnam War, this was an uneasy time on many campuses.

Predictably, chief executives and trustees resisted (and many feared) the calls for formal assessment of presidential performance. After all, they reasoned:

- Boards (as corporate entities), individual trustees, and literally everyone else assess their chief executives at every board meeting, campus function, and through every presidential speech and action.
- The president's responsibilities are difficult enough without subjecting the incumbent to popularity contests, second guesses, or vengeance from those with personal agendas or others who may have been adversely affected by tough but necessary decisions.
- A formal evaluation process certainly would weaken the authority of the academic president. And if the president's standing is weakened, the board's will be as well.

Debates along the foregoing lines raged in many boardrooms. Indeed, the rationalizations to avoid being too serious about presidential performance reviews continue to this day, albeit with a little more sophistication. For example:

- They are a waste of time and money.
- Our president has been with us for ten years and is doing a splendid job. The worst thing we could do is offend her by proposing some kind of a formal review process.
- The academic presidency is simply too complex a job to assess adequately or fairly; any formal process would trivialize the president and the presidency.
- We expect our chief executive to make difficult decisions and evaluate him on his ability to make the big changes we mutually seek. That should suffice.

Trustees must be prepared to give considerable time and thought to the process—more than the record suggests many trustees are prepared to give.

– J.W.N.

The intervening years have revealed much about what does and does not work in performance reviews, and the pressures for accountability continue to rise. The resistance to presidential assessment processes has waned since the late 1970s and early 1980s, but practices vary widely, and they can be improved.

In the Schwartz survey, 66 percent of the presidents and chancellors of single-campus public institutions and 50 percent of the chief executives of independent institutions said their institutions' written policies required some kind of performance review. In almost all cases, this review was to occur annually (91 percent of public institutions, 78 percent of independent institutions). The practice is increasingly accept-

ed as routine, and presidents and board chairs report satisfactory results. Yet mistakes inevitably occur during the process, and some careers have suffered as a consequence.

To be sure, most presidential assessments can be improved so that they provide more demonstrable benefits to the incumbent, the presidency, the governing board, and the institution. Some boards, for instance, seem to be content simply to go through the motions. They want to be able to report that they did *something* to meet the expectations of others (especially in the public sector of higher education). At the other extreme, some boards have become so overzealous in their use of rating scales, checklists, and procedures that they have lost sight of what constitutes the larger picture of good institutional leadership.

But the tricky business of presidential performance review—*always a governing board responsibility*—is here to stay, and even formerly reluctant presidents and trustees have come to see the benefits of a substantive, well-conceived, and well-implemented process.

If higher education governing boards needed any additional impetus to assess the performance of chief executives, the Internal Revenue Service recently provided its own. The IRS now requires all nonprofit boards to demonstrate links between compensation adjustments and performance assessments of "highly compensated" individuals. In independent colleges and universities, and in public institutions whose chief executives' compensation is supplemented by separately incorporated foundations, chief executives and some senior administrators are subject to new scrutiny and, potentially, to "intermediate sanctions" that could have damaging effects on board members and the institution. In setting compensation levels, periodic benchmarking with peers is especially important, along with documentation of the practices used for the review of compensation and performance. If the IRS finds compensation is "excessive," both the affected individuals and individual board members are liable for severe penalties. (For more information about good compensation policies and practices, see the AGB publication, *Presidential Compensation in Higher Education: Policies and Best Practices*, by Robert H. Atwell and Jane V. Wellman.)

The fact remains that the way a person behaves is sometimes as important as what he or she does.

– J.W.N.

Annual presidential performance reviews, as well as more comprehensive performance assessments, must be conducted with fairness and dignity. Such assessments are unlikely to be successful and useful, however, unless parallel reviews of governing board performance occur and unless the president and board accept the proposition that their respective performances are inextricably linked. In the end, performance reviews will improve in sophistication with experience and the goodwill of everyone concerned with them.

Historical Perspective on the Governing Board

John W. Nason, former president of Swarthmore and Carleton colleges, was one of the first individuals—and probably the most effective—to declare the responsibility of governing boards and trustees to assess their own performance. Nason's advocacy was part of his articulation of the governing board's wide-ranging legal, moral, and ethical obligations in *The Nature of Trusteeship*, which AGB first published in 1982 (it now is out of print). Since its publication, thousands of trustees and academic officers have come to accept this board responsibility.

Although governing boards still have much progress to make, the trends are in the right direction, and there is reason for optimism. In

the Schwartz survey (Appendix H), 47 percent of board chairs reported that their boards had conducted a self-assessment within the past five years. Public-sector boards did so less frequently (42 percent) than private-sector boards (49 percent). Unfortunately, it is impossible to know whether the same percentages prevail among boards whose leaders did not to respond to the survey, nor did the survey explicitly include the practices of public multicampus or state systems. It is interesting to note that more private-sector boards (38 percent) than public boards (20 percent) engaged the services of an external facilitator—a practice that is more likely to satisfy those involved in the process.

What can we conclude from this? Although the trend is positive, it is appropriate to surmise that introspection by volunteer academic governing boards does not come very easily or willingly. We also may conclude that when boards are willing to look at their own effectiveness, they generally are reluctant to trust the process to an external facilitator and/or invest in the expense. Finally, boards are more willing to review their chief executive's performance than their own, with private sector boards slightly more willing than public boards to take stock of their strengths and shortcomings.

Understandably, it is perfectly human to avoid assessing our own performance for as long as we can avoid it—whether we are paid corporate directors, volunteer trustees, or chief executives. Yet pressure for boards and chief executives to be more accountable, conscientious, and "transparent" continues to mount from internal and external sources, notably from faculty members who are expected to undergo increasingly rigorous performance reviews. Trustees and chief executives need to find ways to make the self-assessment process work to the benefit of the organizations they hold in trust.

A Long-Term View

Presidents and governing boards expect ongoing reviews of faculty and staff performance and often seek to tie them to promotions and adjustments in compensation. Teaching evaluations by students and post-tenure reviews of faculty now are commonplace. The academic progress of students is evaluated at every turn. Contractors and other service providers undergo continuous scrutiny. It surely follows that chief executives and governing boards should set their own example. But how can they keep their assessments of their joint leadership and partnership from becoming merely symbolic and rote? How can suspicions and doubts give way to a process that adds genuine value?

In many situations [resulting from the intrusion of politics], public endorsement of the president and administration by the governing board after a thorough evaluation may provide the only safeguard.

– J.W.N.

There are many obstacles to good assessment practices. Indeed, the unfortunate experiences of presidents and trustees who intended to do it right but failed could fill a chapter of this book. We should not dismiss those who continue to have reasoned misgivings about formal policies and practices. Nor should we chide such individuals for feeling threatened that their standing and influence will be diminished. Instead, as we seek to nourish, support, sustain, and retain effective leaders, we carefully should consider the views of skeptics.

Although this book calls attention to obvious pitfalls to avoid, it does not dwell on the downside of assessment practice. Rather, in the conviction that performance assessment can be enormously helpful, it focuses on effective policies and methods. Nevertheless, because the following two quotations succinctly represent the concerns that can arise when trustees and governing

boards are unclear about their motives, purposes, or methods, they deserve our attention:

> The trend toward term appointment and formal, periodic reviews for college and university presidents is a mindless urge which mistakenly assumes that the relationship between the board...and the chief executive officer is one of supervision rather than joint responsibility and collaboration.... Such an action is not the vote of confidence that his appointment should be. It also presumes that his success or failure can best be measured in increments of time rather than in response to complex, interlocked, and overlapping events whose harmonic effects on each other and the organization itself cannot possibly be measured by "formal periodic reviews." I cannot imagine anything less appropriate or more erosive of the [chief executive officer's] relationship to his organization or his self-confidence (Avery, 1978).

> The announcement of the imposition of an evaluation system is often a symbolic act, calculated to give the appearance of tough management or the assertion of greater control by the governing board.... The concern about formal evaluation is that by institutionalizing we may distract and detract from what ought to be done in order to meet the evaluation system's expectations.... In higher education, presidential evaluation has been predicated on a governance model that is more myth than a reality; on decision making that is more political than rational; and on criteria or objectives that are often in the eye of the beholder rather than observable for objective assessment (Kauffman, 1978).

Serving as the chief executive of any organization is a hazardous occupation. Is it conceivable that better approaches to performance assessment will help reverse the decline in tenure of academic chief executives? Perhaps not, but it is plausible that carefully designed and implemented policies for review of chief executive and board performance can at least strengthen and stabilize organizational leadership at a time when institutions desperately need it.

The Case for a Three-Part Program

No performance assessment can account for all of the nuances of complex organizations that have so many diverse, competing, and intersecting interests. At best, and as helpful as they can be, assessments are snapshots of moving targets and so elude attempts to comprehend fully the conduct of leadership. Day to day, week to week, chief executives do much more than an annual written performance review ever can reveal. Personal goal statements, as important as they are, help presidents and boards focus on key priorities; invariably, they also give short shrift to the full range of initiatives the chief executive undertakes. Furthermore, how presidents or chancellors conduct themselves is at least as important as what they do. Personal style matters, although it is very difficult to account for objectively. The same can be said for governing boards and individual trustees, of course.

The three-part assessment program presented here is a systematic approach that can be adapted to various institutional settings and governance structures. It strives to strike a balance between formality and informality, between seriousness of purpose and the need to conserve time, and between focus on the presidency and the governing board. It also explores the increasingly important subject of individual trustee self-assessment.

The value of this three-part approach to assessment promises to be more than the sum of its parts because it integrates presidential and board performance reviews. Over time, this systematic approach will do the following:

- Enable the chief executive to educate the board about the challenges confronting the presidency and the institution, his or her *retrospective* achievements and frustrations with regard to explicit goals, and how the institution is faring in the marketplace.
- Help the chief executive, as part of continuous, two-way communication, to reflect on and articulate (1) his or her successes and shortcomings, (2) the areas in which the board can be more helpful, and (3) his or her prospective goals (to be discussed with the board).

- Allow the board to tie annual compensation adjustments to explicit achievements and to explain and defend its actions.
- Ensure that the chief executive and board will establish explicit annual and strategic goals that they both are committed to accomplishing.
- Allow new board members to embrace the priorities and goals set by the chief executive and predecessor boards.
- Enable the board to set and implement effective policies and procedures for its own succession.

boards' responsibilities to protect individual rights to privacy or to meet their other responsibilities, public trustees and governing boards should aggressively advocate change.

The process of the three-to-four-year board self-assessment also should remain confidential to board and president. Depending on circumstances, however, some of the general results may be worth communicating to a broader audience. On the other hand, the process of joint assessment of presidential and board performance reviews (every five or more years)

The inclusion of people who are less involved in the governance of the college or university and who are less likely to have informed opinions on the performance of the president [or board] can easily distort the results.

– J.W.N.

- Clarify board responsibilities and governance issues (who should be responsible for what).
- Assist board members in determining whether they are living up to their own standards.
- Help the board and chief executive assess the quality of their working relationship, the clarity of their mutual expectations, and their level of trust.
- Reach out to other responsible leaders of stakeholder groups to learn how they view the institution's management and governance, the institution's progress, and presidential and governing board achievements.
- Help the board and the chief executive determine whether they have the foundation for and commitment to one another to extend their relationship.

Ideally, the process of annual assessment of the president should be confidential between the president and board. Most states permit this, even within public institutions governed by open-meeting laws. Where it is not, the process is much more difficult, although avoiding annual assessments because of open-meeting laws is a convenient rationalization. When "sunshine" legislation or regulations adversely affect

should be more open and inclusive, and the results should be made public in some appropriate form.

Throughout the text and in the appendices, various policy excerpts, checklists, surveys, and other useful materials will help readers adapt the assessments to the needs of their own institutions. Readers will not find illustrative "rating scales" of any sort. Unfortunately, some ratings scales are still being used to elicit trustee, faculty, and other constituent-group opinion. These scales are inappropriate, unsophisticated, and potentially demeaning to the individuals and the offices they hold. Such devices have questionable "validity" (they do not really measure what they purport to measure), and they have generally poor "reliability" (they would provide inconsistent results if they were to be administered to the same individuals a second time).

Each of the next three chapters will describe one of the three parts of the foregoing assessment program. Each of these can be adapted to particular institutional missions, settings, and governing structures. The broad outline of this three-part assessment program can be captured in a single board policy (see Appendix A), with the understanding that a more explicit and separate statement of policy and procedures will be

needed for each of its three parts; these are suggested in Appendices B, C, and D for single-campus institutions and in Appendix E for public multicampus and system structures.

In a nutshell, the three-part program of systematic performance review looks like this:

A Systematic Program of Presidential and Board Performance Assessment

Focus	Frequency	Responsibility
The Chief Executive (Heads of Campuses)	Annually	*The board,* with the chief executive, through the compensation, executive, or special ad hoc committee (for multicampus or state systems, the system chief executive)
The Governing Board	Every three or four years	*The board,* preferably with external facilitator expertise, through the board chair and chief executive (alternatively, an appropriate standing or an ad hoc committee can oversee planning with the board chair and chief executive)
The Chief Executive *and* the Governing Board	Every five to ten years	*The board and chief executive,* with external consultant expertise, through a special ad hoc board committee

The Chief Executive (Annually)

Primary Purposes:

- To enable the incumbent to strengthen his or her performance
- To enable the board and chief executive to reset mutually agreed-upon goals
- To inform annual decisions on compensation adjustments

The Governing Board (Every three to four years)

Primary Purposes:

- To enable the board to strengthen its performance
- To identify and reach consensus on board goals
- To ensure that the board has a clear grasp of its responsibilities
- To strengthen relationships among board members and especially with the chief executive
- To clarify expectations for one another and between the board and chief executive

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The Chief Executive and Governing Board
(Every five to ten years)

Primary Purposes:

- To strengthen chief executive and board leadership by assessing the quality of their relationship, the effectiveness of their communication, and the level of their mutual support
- To seek the informed perceptions of leaders of major stakeholder groups—internal and external to the organization—concerning the organization's management and governance
- To reset or confirm institutional priorities and goals
- To help determine or confirm that the chief executive and the board have a basis on which to commit themselves to a longer term relationship

CHAPTER 2

Annual Review of Presidential Stewardship

Every year, presidents and chancellors should provide their board members with a written, confidential self-assessment that should be accepted as the heart of an annual review process. There is a strong and compelling case for this practice: It works, it respects the integrity of the presidency and its incumbent, and it keeps responsibility for regular performance reviews where it should be—within the board.

In fact, this practice—best managed by a small committee of members of the board—is now widespread. Presidents and chancellors provide their boards (or the chief executives of public systems of institutions) with written statements of their own perceptions of their leadership, within the context of how their institutions fared in the preceding period—usually about 12 months. Many chief executives find the task enjoyable and almost therapeutic; with the benefit of reflection, they are delighted to find their records of achievements are so significant. Others, because the exercise takes time away from their work, consider it drudgery. With the IRS requiring all independent and some public-sector tax-exempt organizations to tie compensation adjustments directly to performance assessments for highly compensated employees, this part of the annual review process is likely to become nearly universal in the academy.

The annual written self-assessment is a wonderful tool for chief executives and boards alike. An effective one provides opportunity for a focused conversation between the board and chief executive. It should (1) be flexible in format, (2) include personal as well as institutional achievements and needs, (3) focus on retrospective and prospective goals, (4) be informal and low key, (5) remain confidential between the chief executive and the board or system head, and (6) be consistent with the purposes of presidential assessment (to emphasize personal introspection and self-improvement).

Unfortunately, few new chief executives start their tenure with an explicit set of the priorities or goals that should have informed the process leading to their selection in the first place. Too many harbor vague notions about their board's expectations. Boards that have failed to achieve consensus on key priorities risk starting a new president down the wrong path. Search and selection processes that leave boards and their new chief executives unclear about what initial goals and priorities need to be addressed do not serve the institution well. Boards should ensure that every presidential search begins with a clear assessment of institutional circumstances, needs, and priorities. This "agenda" must be translated into a statement of the experience and skills sought in the next president (a leader-

ship statement), and this statement should yield a set of expectations for the new president.

In the absence of board-determined goals and priorities, new chief executives may have to develop their own explicit goals and priorities, based on what they were told during the search process and what they have learned during the first several months or year. This is a reasonable proposition: New chief executives always face surprises, and their boards unfortunately may not have had so firm a grasp of institutional issues and needs in preparing for the search process as their members might have thought.

Three points are relevant here:

1. Ordinarily, the chief executive should be the primary source of goal and priority statements.

2. Boards and chief executives subsequently should discuss these goal statements and negotiate consensus regarding any changes or additions.

3. If clear and formal goals and priorities were not set at the outset, and if the new chief executive requests a year to prepare them, the first "official" annual review should occur at the end of the second year of service.

Again, the aim should be to decide on a format for the annual review with which both the board and the chief executive are comfortable—one that provides structure without too much detail. Presidential performance assessment must never become a process of "gotcha," and boards should never use it to make imminent decisions about whether a president should be asked to move on. Most board members will know if a president is seriously underperforming or has lost the confidence of the board. Such cases should be addressed in a timely and sensitive way and apart from a scheduled review.

Equally inappropriate is for the scheduled review process to focus on one serious, recent incident or a perceived breach of good judgment or for any board members to be allowed to revisit their favorite personal agendas or causes. No board member should disclose confidential information, including the president's self-assessment, to anyone. Any president's "self-exposure" is a delicate business, and it is rightly approached with a sense of risk. Boards must protect and respect this process, which is intended to strengthen the president and the presidency.

The annual presidential assessment process should enable boards to ask themselves four questions:

1. Do we really have a deep understanding of what our president does to lead and manage?

2. Do we really know how well the president is leading and managing?

3. Are the president's goal statements adequate and appropriate, and do we have ample opportunity to discuss and perhaps adjust them with the president?

4. Are we supporting the president in demonstrable ways, and are we genuinely interested in helping him or her grow professionally and personally?

The issue is not whether presidents will be evaluated, but how they will be evaluated and by whom.

– J.W.N.

One question presidents and chancellors most appreciate hearing in the presence of the full board is, "What can we do to help you to get this done?" This question is more likely to be asked within the context of a presidential performance review than in a regular board meeting.

Resolving the following matters can improve the annual review process:

- Clarifying its purposes.
- Determining the written statement's format.
- Deciding what additional information might be appended to the statement.
- Choosing a board member to have oversight responsibility for the process on the board's

behalf (and who should work with him or her).

- Determining how the board (or the executive system head in the public sector) can do a commendable job of providing feedback and counsel to the chief executive.
- Resolving how the assessment process informs the compensation process.
- Ensuring that the full board has ample opportunity to discuss with the chief executive his or her proposed goals statements for the ensuing year or more. This is a more common practice in public boards, which have fewer members; larger private college and university boards often delegate this to their officers, to the executive committee, or to an ad-hoc committee—and thereby miss opportunities for broader trustee participation in the process.

The primary purpose of annual reviews—improvement of performance—has been discussed earlier, so let's address several other matters one at a time.

Setting Goals

How many goals and priorities should the chief executive propose to the board, and by what criteria should they be determined and judged?

This is more art than science, of course, but it is difficult to imagine that fewer than five—or more than ten—substantive, timely, and challenging goals are appropriate. More important than the number is their quality and substance, their relevance to the institution's top priorities, and their direct bearing on presidential leadership. The goals should provide evidence of the president's awareness of the institution's mission and vision, of its real needs and opportunities, and of the governing board's concerns about the institution's health. They should show the president's ambition and willingness to "reach." They should balance risk-taking with realism. And they should mix quantitative and qualitative items. Most should be attainable within a year or so, but a few may require a longer time frame and should be presented that way.

Each goal statement should be accompanied by a paragraph or two to set it in context and to provide a reality check. Some goal statements will carry over from the preceding year; some will be much more difficult to achieve than others; and all will deserve discussion with the board before they are agreed upon. In a similar vein, the goal statements from the preceding academic or fiscal year should be discussed as part of the president's written statement. In sum, preparing and discussing goal statements help ensure that the president and board are communicating and supporting one another. The annual review process provides a time to acknowledge and reward exceptional performance appropriately by setting the stage for subsequent adjustments in compensation.

In self-defense, some presidents have turned to periodic evaluations both as a protection against hasty and sometimes ill-informed judgments of their performance and as a device for educating trustees and other groups on the values and intricacies of the changing educational enterprise.

– J.W.N.

The Format of Presidential Management Review Statements

The aim should be to strike a balance between too much and not enough structure. Again, the board or system head should understand that the chief executive's annual report is simply a snapshot of the preceding year. It cannot possibly convey all that a president or chancellor does, has done, or plans to do. Think of

the statement as an "institutional and personal balance sheet," as John Nason has suggested. Yet presidents also should consider that they can "write" their report during the course of the year by communicating progress with respect to stated goals at each meeting of the board and at other public assemblies and meetings.

Current practices vary greatly. One public multicampus system board requires a general written statement to be limited to five pages (undoubtedly double-spaced!). Another board requires explicit responses to 20 questions (with no specified length for answers). Unfortunately, most board policies are silent on what the document should contain. Finding the center of good practice continues to be a challenge, but the following format may be helpful.

The Chief Executive's Annual Management Review Statement

(Suggested format of a confidential memorandum to the board of trustees)

Retrospective

- The goals mutually agreed upon about this time last year with a description of efforts to meet them.
- Any other personal and institutional achievements that you, your management team, or the faculty are especially pleased with beyond those cited above.
- Particular disappointments, frustrations, or problems you may have experienced, especially those likely to persist.
- Relationships with the board, faculty, staff, students, alumni, community leaders, or any other appropriate stakeholder groups or organizations. Examples of how the board has been supportive of you personally and professionally—or how it can be next year.
- Any personal, family, or professional matters that affect the conduct of your presidency that the board should know about. (The board will consider such matters in absolute confidence, but you may choose instead to discuss these privately with the board's leaders. How can the board or its leaders help address and resolve them?)
- Aspects of your presidency that have been especially rewarding, difficult, or frustrating that would help the board more fully grasp how things are going.

Prospective

- The institution's principal challenges and opportunities as you see them.
- The five to ten primary goals you propose for yourself and for the institution for the next year or so.
- Any other thoughts, ambitions, or plans you have as president.

Other Information

- Attach any other information that will help the board assess the institution's health and progress over the past year or more.

Note: Among useful attachments might be relevant excerpts from current planning documents or a copy of a recent accreditation report's conclusions and recommendations. Another might be the annual "business plan" and its various quantitative and qualitative objectives. Or, with reference to the preceding few years, the chief executive could recapitulate the major strategic indicators of institutional health and progress. There is room for creativity here, but boards should avoid the temptation to ask for too much—lest they lose focus on performance and its relationship to goals.

Assigning Responsibility and Providing Feedback

The Schwartz survey reports that three of every four presidents and chancellors are either "satisfied" or "very satisfied" with the quality of feedback from the board. Among their explicit disappointments, however, are the following:

- Not enough time devoted to a full discussion of the self-report, especially goal statements.
- Too much dysfunctional politeness; too much concern about offending.
- Insubstantial, ill-defined, and anecdotally based suggestions.
- Failure by the board to reach consensus on major goals and priorities.
- Contradictory advice.
- Imposition—by individual trustees—of their personal agendas.
- Leaks of confidentiality on sensitive issues that concern individuals or the institution.

How a board handles the president's personal statement affects how seriously the president will take the process in the future—and how candid or personal the president will be. What's more, it may be unwise, following submission of the board's statement, for a chief executive to infer that the absence of constructive feedback and discussion signals satisfaction with his or her performance—even with a significant upward adjustment in compensation.

The moral is simple: The board chair and the board committee responsible for receiving the president's statement (Appendices A and B) and assessing the president's goal statements and performance have a duty to act responsibly on behalf of, and later with, the full board. Reporting the comments of individual trustees to the president is not helpful or appropriate; rather, the president seeks and needs broad-based consensus directly from the board.

More to the point, the chief executive (following the initial conversation with the chair or committee) should have a candid conversation with the full board; discussion with the board's leaders or the appropriate committee is less desirable. Subjects to consider include the following:

- Are the suggested goals in line with the board's sense of priorities? Should any goal statements be clarified, deleted, or added?
- How do board members feel about the president's achievements and performance?
- What does the committee suggest to the president to strengthen performance?
- How can the president strengthen relations with the board, faculty, and other internal and external stakeholders?
- How can the board be more supportive in helping the president conduct an effective presidency and grow both professionally and personally?

One of the serious problems of presidential evaluation is the extent to which presidents are judged on inadequate or mistaken standards. This is a sore point with presidents.

– J.W.N.

Relating Performance Reviews to Compensation

Should the same board committee oversee the performance and compensation review processes? Practices and opinions on this question vary greatly among institutions. But given the recent changes in IRS regulations, independent colleges and universities will be far less likely to leave these matters solely to the board chair or the board's officers.

Some argue that either the compensation or executive committee is perfectly suited to oversee both processes, which are related in purpose and outcomes. But many of those same advocates also would urge that the two reviews—performance and compensation—should be conducted separately, with full board discussion of the president's performance and prospective

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goals occurring before the compensation review. Still others would claim that two separate groups should tackle the two tasks—or that the same group should put on separate hats for each. Indeed, according to one particularly strong argument, compensation is but one possible reward for performance, and rewards, for many reasons, cannot always match performance. Therefore, performance and compensation reviews should be kept as separate as possible.

In any event, at the meeting of the board dedicated to the president's annual performance review, the appropriate committee should report its proposed compensation adjustments, the rationale for them, and a request for their ratification. That ratification then is recorded in a confidential memorandum for the record that summarizes the process, relevant peer-group information, compensation adjustments, and the date on which the changes are to take effect. The board chair and the chair of the compensation committee should sign the memorandum.

In sum, the following constitute sound practice:

1. The committee responsible for overseeing the performance-assessment process should ensure that the president's confidential management review statement is provided to all individual board members—with opportunity for discussion of goal statements, past and future.

2. The committee responsible for determining the president's compensation should make its report and recommendations at least to the executive committee (in private institutions) or—preferably—to the full board (especially in public institutions). Discussion and ratification should follow, with written documentation of both process and outcomes.

The assessment and compensation processes are related, but they are best conducted separately, either by the same committee or two discrete board committees. Membership should include, but not be limited to, the board's top elected officers. Relevant policy in public institutions should, of course, consider the impact of open-meeting and open-records legislation.

Multicampus and State System Considerations

Because so many characteristics vary among multicampus and state system structures, offering a single illustration of policy and practice for the public sector is difficult. Moreover, some institutions within state systems have local advisory or "quasi-governing" councils or boards, and others do not. (In public higher education, within state system or multicampus structures, the authors define institutional or campus "quasi-governing" boards as those that have a strong voice in the selection of the chief executive and fiduciary responsibility for the budget and related fiscal accountability. These boards are more than "advisory" but not fully governing because another board has ultimate legal governing authority.)

Evaluations are a tricky business and should themselves be evaluated.

– J.W.N.

Every system board must come to grips with the reality that it is not in the best position to assess the work of multiple campus chief executives. Unfortunately, some public system boards fail to delegate this responsibility to the chief executive of the enterprise. In most state systems, campuses are spread throughout the state. Consequently, it is exceedingly difficult for trustees to have substantial knowledge about every campus executive's performance. At best, they are likely to have fairly superficial impressions and judgments about style and substance. Their only relationship with campus heads may come during board meetings, when these individuals have an opportunity to speak and interact on specific issues. Even if the number of campuses within the system is relatively small, rotating board meetings among campuses is unlikely to make much difference on this score. Especially

in large multicampus systems, board members tend to have "impressions" rather than a full grasp of individual chief executive performance.

One public multicampus system board requires each board member to rate its seven campus leaders annually on 14 dimensions, as well as on overall performance, and to include comments. Then, immediately following a conference between the board and each executive, each board member completes another form and rates them again—this time on four dimensions. It is difficult to believe that this kind of approach has merit or validity.

Most public system boards properly delegate primary responsibility to the system chief executive, with the expectation that the chief executive will thoroughly brief the board on the process, outcomes, and recommended compensation levels. Board members should, of course, have an opportunity to ask questions and offer their personal views, impressions, and opinions—always mindful that the board's collective viewpoint may be quite different from their own. The board also reserves the right to approve or ratify compensation adjustments and related terms of employment. Multicampus or state system boards that do not delegate supervisory responsibilities for the campus heads to the system's chief executive have a special conundrum.

Many states rely on local advisory boards for important and appropriate voices in selecting the chief executive and preparing the budget. The counsel of these groups is important and should be incorporated into the assessment processes. For public systems with such local groups, the system's chief executive should encourage their appropriate participation.

Using Surveys Properly and Avoiding Rating Scales

There are important distinctions between written surveys that solicit opinion and insights and forms that require respondents to "rate" observable behaviors for the purpose of yielding aggregate numerical values. Such ratings systems are inappropriate on several grounds.

Ratings scales that assign numerical values to certain leadership characteristics widely miss the mark of connecting many, theoretically discrete, observable behaviors to what *the creators* of such devices believe constitutes good leadership in the aggregate. Quite apart from their many weaknesses with regard to reliability and validity, rating scales suggest that somehow the composite picture or "score" they provide is a reasonable proxy or reflection of actual performance. Unfortunately, they are not. They greatly oversimplify the human qualities, complex behaviors, and confluence of interactions with other individuals and situations by which human beings perceive other human beings. Their use incorrectly suggests that presidential leadership assessment can be made scientific if it can be reduced to a series of numbers. Rating scales are demeaning to those whose behaviors and characteristics are being "measured," and they inappropriately trivialize the academic presidency. Furthermore, they are flawed in their failure to focus primarily on goals and particular achievements.

Simplicity is a great, if sometimes neglected, virtue.
– J.W.N.

The foregoing perspectives concerning rating scales also are relevant to governing board and individual trustee performance. If the board and its members would be understandably reluctant to have their own performances assessed by such devices, by what rationalization are they appropriate for assessing chief executive performance?

On the other hand, well-constructed survey forms can be helpful in presidential and board assessment, when they are properly used. This is especially the case if they consist of a series of largely open-ended questions to elicit comments and examples. The goal is to help respondents consider their impressions and provide

constructive "feedback" to the individual being reviewed. The format of survey forms does not reduce complex behaviors into a set of numerical values; the forms reflect the notion that performance assessment is always subjective, always more art than science. Examples of surveys to help with board and trustee performance reviews are offered in the next three chapters.

With regard to annual presidential reviews, developing a relatively short, largely open-ended survey form to elicit *trustee* perspectives and insights is perfectly appropriate. Such a survey form, however, should supplement rather than replace the president's written self-assessment and goal statements, and conversations with the assessment committee and ideally the full board should follow. If such forms are used as part of the process, it is best that they carry the name of the respondent and be sent directly to the responsible committee chair or board chair, as appropriate.

CHAPTER 3

Periodic Board Review

Although the national survey of board chairs reveals a strong trend toward board assessment, there is quite a distance to universal practice. The respondents generally reported positive experiences, but they also suggested the process could stand improvement. At least one in three board chairs pointed to the need for greater commitment and participation by the board and for better written materials, including self-study criteria and performance benchmarks. Nearly one in four board chairs called for more explicit board policies and procedures and better facilitation by experienced consultants. About one-third said a lack of interest among trustees is a great barrier, with only about 7 percent judging their presidents to be resistant to the practice (Appendix H).

Board assessments vary greatly. Most governing boards and chief executives apparently resist inviting a third party to help them design and conduct a self-assessment process (77 percent of the publics and 61 percent of the privates did not do so in their last experiences). Although the survey did not pursue details, it is likely that widespread resistance on the part of trustees to such performance reviews did not permit the necessary commitment of time and money to such efforts. AGB's experience is that private college and university boards are somewhat more willing than public-sector boards to devote adequate time to the process (preferably at least eight hours of meeting time over two successive days). That private boards meet much less frequently than their public counterparts may be a factor in the willingness of private institution boards to commit to away-from-campus overnight retreats that allow time for socializing.

Unfortunately, open-meeting laws discourage many public boards and chief executives from planning such board retreats or workshops. Sometimes, however, this becomes a convenient rationalization to avoid the practice. The fact is, many self-study workshops have been conducted over the years—with the media present—and with very good results.

Except in the cases of boards that find themselves enmeshed in controversy—whether of their own doing or as a consequence of external political intrusion—the media rarely observe such events (especially when they are scheduled away from the campus, as they should be). This is particularly the case when the press is informed that the board will neither transact official business nor make any commitments binding on the board or the institution—and so will not be officially convened.

It is unfortunate when open-meeting laws or legal interpretations of them do not exempt such self-study processes. The presence of

reporters can have a chilling effect on honest discourse. Although this may prevent the board from reaping all of the advantages of a self-study, the benefits of the process nevertheless are important, and the presence of reporters should not dissuade public-sector boards from conducting such retreats. The moral: It is far better to engage in periodic board self-study with the media present than not to engage in it at all.

But let's look on the bright side. The trend is in the right direction. Presidents and chancellors want *(need!)* their boards to engage in periodic introspection. Board chairs are increasingly aware of the value of self-study and the importance of setting a good example. At the same time, if boards can be given better tools and strategies, including board-evaluation policies, more of them will engage in workshops and retreats focused on board and trustee performance.

The Purposes of Board Self-Assessment

Periodic self-assessments give boards a reasonable measure of confidence that they are functioning effectively. But there are many other important reasons for board reviews as well. Some of them are tangible and observable; others are intangible, serendipitous, and equally valuable. Periodic reviews help boards grasp their responsibilities as corporate entities, reach consensus on and clarify their goals, find ways to strengthen their effectiveness, improve relationships among members (especially with their chief executives), and clarify mutual expectations.

Planned and led effectively, a self-study process should enable a board to explore the secrets of how a group of high-achieving individuals from various walks of life can come together and function *as a board*. This is not, after all, a natural act. Even the most persuasive and respected presidents, board chairs, and other prominent trustee leaders need some help to motivate the board to higher levels of achievement. Some kind of intelligent intervention periodically is necessary to help even very effective boards improve, to renew personal and collective commitments to the institution, and to help board members renew their vows (or to take them for the first time). Governing boards need to raise the bar for themselves and their institutions, and chief executives need for them to do it: Effective boards and governance lead to effective presidencies, management, and leadership.

Presidential performance, governance, and institutional goals are intimately interrelated.
– J.W.N.

Properly conducted retreats—especially those running over two days, from noon to noon—can be enormously energizing, enlightening, stimulating, productive, and fun. The fact is, the members of most governing boards do not really know one another very well. Because enabling legislation or constitutional provisions do not provide useful frames of reference for the modern college or university or system of institutions, most public-sector boards function with vague, confusing, contradictory, or nonexistent job descriptions. Private-sector boards also suffer from inadequate descriptions of their responsibilities in their bylaws.

Moreover, many boards struggle to understand the distinctions between institutional governance and management. The ambiguities that inevitably accompany academic trusteeship can be reduced significantly in well-designed self-assessment programs.

The best board self-assessment strategies are, by definition, results-oriented. They help boards achieve consensus on specific goals and initiatives and improve how boards do their work. They enable boards to make more effective use of trustee time, and they help individual trustees steer clear of conflicts of interest. They help private boards do a better job of recruiting and cultivating promising candidates for membership

and public boards balance institutional advocacy with accountability. And much, much more.

Strategies That Work

How can the board's leadership organize successful activities that can overcome a perfectly human aversion to "retreats" and have them make a difference? These principles and practices have stood the test of time:

- Secure the support of other key board leaders. Follow it with consensus from the majority of the board members on the purposes and need for a self-assessment process. (Total unanimity is not required; skeptics often later become the strongest advocates.)
- Identify a facilitator who will plan and conduct the process. He or she should have credibility, experience or certified training in group-process skills, knowledge of trusteeship, a sense of humor, and familiarity with institutions similar in mission and scope to your own. The facilitator should be a person with whom the board chair and the chief executive are comfortable because of his or her reputation and experience.
- Allow at least three months to plan for a special workshop or retreat.
- Set a date, preferably over two days (to permit social activities and informal engagement of issues). Make sure that the retreat is a top priority and that the trustees have a strong commitment to attend.
- Decide on an appropriate site—preferably away from campus and in a comfortable setting (meeting rooms, sleeping rooms, food, and ambiance).
- Limit participation to board members and the chief executive. Not only does this symbolize that the institution ultimately is their joint responsibility, but it also helps maximize candor. Only one other member of the management and governance team need be present as observer—the full-time professional staff board secretary. But this should be the call of the board chair and president.
- Decide whether the board chair and chief executive should be responsible for selecting the facilitator and planning the event (most often the case) or whether they and an appropriate standing or ad-hoc committee should oversee all planning.
- Determine whether any unusual circumstances require the facilitator to interview any trustees in addition to the board chair and president. (This usually is not necessary.)
- Presume that a written survey will be an important part of the process. All board members complete the survey anonymously. Before the workshop, their responses are aggregated, summarized verbatim, and distributed to all board members. Such surveys are not ends in themselves; rather, they are springboards to conversation and focus. (Ideas about content, format, and process appear later in this chapter.)

While the president is the agent of the board, he or she is also the educator of the board.
– J.W.N.

- Supply appropriate background reading material with the event's final schedule, agenda, and summary of the written survey. But be careful not to overdo it. (Normally, a primer on board and trustee responsibilities will suffice. See the bibliography.)
- Transact any other necessary board and institutional business at the conclusion of the workshop. Again, it is far better not to conduct any official business, but if this is necessary, severely limit the agenda to essentials.

There also are a host of logistical details to consider with the external facilitator. Among these are room and table setups, audiovisual requirements, name cards, and appropriate (informal) attire for participants.

Early in the process, the facilitator should hold extended private telephone conversations separately with the board chair and president as

well as a joint conversation with them after the summary of the board's written survey is available. The facilitator also will ask for various documents and information, including the following:

- Board bylaws.
- A roster of current board members and what they do in their professions or careers.
- A list of board committees and their membership.
- Two or three copies of recent board (and executive committee) meeting agendas and minutes.

The Written Survey

The facilitator should use a written survey to shape and conduct the self-assessment process. Most of us avoid questionnaires or checklists because we receive so many of them. We especially disdain poorly conceived, unreasonably long, or quirky instruments. On the other hand, we can distinguish between good and bad ones, and most of us recognize their potential usefulness—especially if they enable us to think about good practices or issues in interesting or stimulating ways.

The purpose of [presidential assessment] should be, at its core, to help the president improve his or her performance in office and in broader terms to improve the institution. This latter involves a critical look at board performance.

– J.W.N.

- A history of the institution.
- Annual reports and any other basic public-relations materials (such as viewbooks or alumni magazines).
- Excerpts from any recent regional accrediting association reports.
- The budget and audited financial statements.
- Any current institutional planning documents.
- Relevant legislation and regulations on open meetings and open records.

What is a committed, engaged, and educated board worth to the institution? Is all this worth the time and trouble? Absolutely. With a competent facilitator and the requisite investment of time and money, the institution and its leaders can reap enormous benefits. When cost is an issue, especially for small independent colleges, it is not unusual for the trustees and the institution to share expenses. Board members can cover their own lodging and meals, and the institution can cover the facilitator's fee and travel. Or a local foundation, corporation, or philanthropist can be asked for a special contribution. Appendix C illustrates a relevant board policy.

Although the facilitator's advice ordinarily should prevail, the board chair, president, and any other responsible group of trustees that may be involved should be comfortable with the questionnaire.

The best surveys engage the trustee participants in the issues and topics the ensuing workshop will address. They are intended to suggest appropriate standards, practices, and benchmarks. They are not intended to be "scientific," normative with peer institution boards, or unnecessarily provocative. They are a means to an end, not an end in themselves. If they encourage individual trustees to think about the ambiguities that surround their responsibilities, their relationships with the chief executive and constituent groups, and the quality of their meetings and how they are organized, then written surveys are useful tools.

Designing a helpful survey requires considerable familiarity with the theory and practice of trusteeship. Surveys can vary in format, scope, and the time necessary to complete them. They can consist of a few open-ended questions that require brief written responses, or they can ask whether specific policies and practices exist. They can address the board only as a corporate

entity and several key aspects of its performance, or they can include questions bearing on individual trustee responsibilities (as do the AGB surveys). They can be very useful in design and substance, but they are never perfect.

A successful survey should parallel the board's primary responsibilities. After all, the implicit purposes of a self-study are to help close the gap between the theory and practice of academic trusteeship and to help identify consensus on relative strengths and weaknesses. The following list of generally accepted board responsibilities provides a good frame of reference for constructing or assessing a survey.

Thirteen Governing Board Responsibilities

- Clarify the mission.
- Appoint, support, and assess the chief executive's performance (ensure good leadership and general management).
- Assess its own performance (ensure sound board leadership and institutional governance).
- Ensure that high-quality planning and goal setting take place.
- Require the periodic assessment of institutional performance (including major academic programs and divisions), especially through accreditations and other external reviews.
- Approve new academic programs.
- Ensure the well-being of faculty, students, and staff.
- Provide adequate financial resources (through personal philanthropy, active participation in private fund-raising, and careful review of the institution's streams of revenue and expenditure).
- Insist on effective financial management (protection and accounting of institutional assets).
- Ensure adequate and safe physical facilities.
- Argue for the institution and its needs (interpret it to the larger community).
- Speak out for society's needs (interpret them for the campus community).
- Protect the institution from inappropriate partisan politics and intrusions from special-interest groups that threaten the autonomy of the institution and board.
- Protect academic freedom and meet its broad responsibilities to the public trust.

A useful survey must cover a lot of bases. Add to the list a host of board membership and organizational issues, and it quickly becomes apparent that assessing a board's performance is a complex undertaking. For example, other important topics to assess include cultivation and recruitment of trustees (private institutions), relationships with elected officials (public institutions) and other key constituencies, the quality of board meetings, the committee structure, and the appropriateness of bylaw provisions on matters ranging from conflict of interest to indemnification.

AGB has developed a series of survey forms for governing boards of various types of institutions and for boards affiliated with public college and university foundations. These surveys are works in progress and are continuously improved with use and experience. Available only to member boards and chief executives who wish to take advantage of the AGB Board Self-Study Workshop, the "AGB Self-Study Survey" typically requires about one hour to complete. By asking AGB to delete, add, or modify certain questions, leaders obtain a survey adapted to fit their own special circumstances. The questionnaires are not perfect devices, but user evaluations for more than 20 years have supported their value.

Richard P. Chait, Thomas P. Holland, and Barbara E. Taylor provide another perspective on board performance in *The Effective Board of Trustees.* The authors interviewed more than 100 trustees and presidents of 22 independent colleges and found that six "skill sets" or competencies distinguished effective from ineffective boards. These six competencies also are appropriate to public-sector boards:

1. The board "understands and takes into account the culture and norms of the organization its governs."

2. The board "takes the necessary steps to ensure that trustees are well informed about the institution, the profession, and the board's responsibilities and performance."

3. The board "nurtures the development of trustees as a group, attends to the board's collective welfare, and fosters a sense of cohesiveness."

4. The board "recognizes complexities and subtleties in the issues it faces and draws upon multiple perspectives to dissect complex problems and to synthesize appropriate responses."

5. The board accepts as one of its primary responsibilities "the need to develop and maintain healthy relationships among key constituencies."

6. The board helps "to envision and shape institutional direction and ensure a strategic approach to the organization's future."

Naturally, even well-planned, well-facilitated workshops cannot possibly address all topics, issues, and competencies that bear on board responsibilities, membership, organization, and performance. The more realistic aim, therefore, is to identify the most important and consequential performance matters and place them on the table for honest discussion, reflection, and resolution. Typically, such matters are what the majority of board members and the chief executive see as the barriers to effective board performance.

Two general survey formats appear here, both of which can be adapted to different institutional missions and settings. The comprehensive or "longer" format more closely parallels the full range of board responsibilities and related criteria. Appendix C is a model policy on board self-assessment that can be adapted to various institutional settings.

Leaving adequate room for responses, the length of the first survey ("short form") is about five pages and requires about 30 minutes of work. After the forms are collected, it is important to summarize all responses verbatim, without attribution. Any direct and adverse references to specific individuals by name or other inappropriate references should be deleted. This requires judgment and sensitivity, of course. It also is obvious that the person to whom the completed surveys are sent must be a trusted colleague—a key staff member in the president's office (normally the professional staff board secretary) or a member of the board.

The second format ("long form") *is intended for use by AGB-member independent college and university governing boards that request a Board Self-Study Workshop.* The excerpts here illustrate one proven approach. (AGB has developed similar surveys for other types of institutions, including public college and university foundation boards.) Although the criteria vary slightly among the various AGB surveys, especially between those for public and private institutions, the other criteria for governing boards (not listed in the excerpt) typically include the following:

- Physical Plant.
- Financial Management.
- Financial Support and Personal Philanthropy.
- Board Membership.
- Board Organization and Performance.
- Board Relationships with Key Constituents.

It is worthwhile to reiterate that the purpose of any written survey is twofold: (1) to help identify governance challenges and opportunities for discussion—particularly those that bear on strengthening the board's effectiveness and relationship with its chief executive, and (2) to give each board member an opportunity to think about various issues and express opinions—to personally invest in the process.

The AGB survey forms have a third part, an individual trustee "audit," that appears in Chapter 5.

A review of board responsibilities and performance could well precede the evaluation of the president. Neither can be successfully completed without the other.

– J.W.N.

Illustrative Short Form
Governing Board Self-Study Survey

- **Board responsibilities.** To what extent do the majority of board members understand the board's many corporate responsibilities as the major element of sound institutional governance (rather than management)? Please identify at least three specific board responsibilities the board is meeting particularly effectively and any board responsibilities the board is *not* fulfilling effectively. Please elaborate the reasons for your judgments.
- **Board membership.** What one or two initiatives or changes would significantly strengthen the board's membership composition and, presumably, its effectiveness?
- **Board organization.** What one or two initiatives would significantly improve how the board accomplishes its work? Which of the board's committees is especially effective? Ineffective? Why?
- **Board-chief executive relationships.** How would you describe the views of most board members (not necessarily your own) concerning the president's performance? What one or two board initiatives would help the chief executive be more effective?
- **Board relationships with other stakeholder groups.** Among the institution's and board's many stakeholder groups, with which are the board's reputation and rapport particularly strong and particularly weak? Please elaborate the rationale for your observations.
- **Institutional achievements.** What institutional achievements in the past year or two have made the board especially proud? How did the board contribute directly or indirectly to these achievements?
- **Future institutional performance.** If the board and chief executive were to undertake one initiative that would make an enormous difference *to the institution*, what would it be?
- **Future board performance:** If the board were to undertake one initiative that would make an enormous difference in strengthening *the board's effectiveness*, what would it be?
- **Other board performance observations and opportunities for improvement.** Please elaborate your views about how the board has functioned within the past two or three years (or less, depending on your service on the board). Beyond what you already have cited, what issues or concerns bearing on how the board is functioning in partnership with the chief executive should be discussed at the board's forthcoming self-study workshop?

Illustrative Long Form
Governing Board Self-Study Survey

In preparation for our forthcoming workshop, this survey is intended to elicit your candid views concerning the board's performance in meeting its responsibilities. Your responses will be combined with those of other board members, without attribution. A summary will be sent to you prior to the workshop. Please use the space at the bottom of each criterion to qualify or elaborate any of your responses. This survey is an important part of our efforts to ensure that our board periodically considers initiatives to help it perform even more effectively in support of our institution's mission, governance, and management.

The survey has three parts. The first part focuses on the board itself and its corporate responsibilities; the second part asks four more general questions; and the third part is a personal "audit" of your own service and commitment as a board member. It will require about one hour to complete. Thank you for contributing to the success of our forthcoming workshop.

Part One

Criterion 1
Institutional Mission

No institution can be all things to all people. To remain competitive in an expanding marketplace, every organization must decide how its particular mission and purposes define its special niche. A clearly articulated mission also is important as a frame of reference to everyone connected with the institution—the chief executive, trustees, faculty, students, staff, alumni, donors, and many others—to guide their work and contributions to its advancement.

It is important for the board and chief executive, often in collaboration with appropriate stakeholders, to periodically review the mission statement's adequacy and appropriateness. But it is ultimately the board's responsibility to reaffirm or to change it. This board responsibility provides the context for most of its many other responsibilities.

	Yes	No	Don't Know/ Can't Judge
1. In your opinion, is the statement of mission and purposes clear, succinct, and useful to serve as a guide to the board, administration, faculty, and others?	[ ]	[ ]	[ ]
2. Does the statement articulate the distinctive nature of the institution in the marketplace?	[ ]	[ ]	[ ]
3. Do the faculty and administration consistently show evidence of their awareness of the institution's mission in their recommendations for new or revised policies?	[ ]	[ ]	[ ]

4. Does the institution live up to its stated mission?	[ ]	[ ]	[ ]

Summary: With respect to this criterion, the board's overall performance is:
[ ] Very Good [ ] Good [ ] Barely Adequate [ ] Poor [ ] Don't Know/Can't Judge

Other comments or clarifications:

Criterion Two
Academic Governance and Educational Policies

One of the most ambiguous yet essential board responsibilities is to ensure that the institution's academic offerings are appropriate to the institution's mission and purposes and are periodically reviewed for their quality. The faculty understandably claims special expertise and voice in this and related areas; thus, considerable sensitivity must be exercised concerning who should have a primary voice in making certain decisions. Ultimate responsibility for all institutional policies always remains with the governing board, however, even when many decisions are appropriately delegated to the administration, faculty, or others within the institution. The chief executive and board periodically should review internal governance and educational policy matters for appropriateness and clarity.

	Yes	No	Don't Know/ Can't Judge
1. Are the administration's and faculty's recommendations to add and discontinue major academic and degree programs consistent with the institution's mission statement?	[ ]	[ ]	[ ]
2. Are collaboration and communication between the administration and the faculty on academic and related faculty-personnel matters as effective as they can be?	[ ]	[ ]	[ ]
3. When the administration consults the faculty organization on an appropriate academic-policy matter, are constructive responses typically received on a timely basis?	[ ]	[ ]	[ ]
4. Does the board have a reasonably clear sense of which academic and degree programs are particularly strong, which are particularly weak, and why?	[ ]	[ ]	[ ]
5. With regard especially to the faculty, but other internal stakeholder groups as well, are their voices genuinely sought on major decisions affecting them and their work?	[ ]	[ ]	[ ]

6. Would it be worth the time and effort for the chief executive and board to review how delegation and collaboration are exercised within the institution (who is accountable and responsible for what)?	[ ]	[ ]	[ ]

Summary: With regard to this criterion, the board's overall performance is:
[ ] Very Good [ ] Good [ ] Barely Adequate [ ] Poor [ ] Don't Know/Can't Judge

Other comments or clarifications:

Criterion Three
Institutional Planning

Effective and continuous planning and goal setting are essential to keep the institution competitive. It is the board's responsibility to ensure that the administration and faculty conduct good planning and for the board to participate where possible and appropriate—perhaps through its standing committees or by trustee membership on certain internal planning committees. Trustees have limited time and expertise on educational matters, but it is important for the board to be involved and to "own" resulting priorities. (Comprehensive planning typically includes such matters as enrollment goals and student recruitment and retention strategies, certain faculty and staff matters, the physical plant, information technology, educational programs, and fund-raising, among others.)

	Yes	No	Don't Know/ Can't Judge
1. Is there an ongoing process of comprehensive institutional planning?	[ ]	[ ]	[ ]
2. Was (or is) the board appropriately involved the planning process?	[ ]	[ ]	[ ]
3. Is the board kept apprised of progress with regard to planning goals and priorities on at least an annual basis?	[ ]	[ ]	[ ]
4. Do the majority of board members seem to be satisfied with the way planning is conducted?	[ ]	[ ]	[ ]
5. Are the majority of board members satisfied with how the institution is progressing with its goals and priorities?	[ ]	[ ]	[ ]
6. Is the board, and are board members, doing their part to help implement appropriate goals and priorities through personal philanthropy and fund-raising?	[ ]	[ ]	[ ]

Summary: With regard to this criterion, the board's overall performance is:
[ ] Very Good [ ] Good [ ] Barely Adequate [ ] Poor [ ] Don't Know/Can't Judge

Other comments or clarifications:

Criterion Four
Board-Chief Executive Relationships

Few matters are more important to effective governance and management than the quality of the relationship between board and chief executive. This relationship must be built and maintained on a foundation of trust, mutual support, and respect for one another's complementary and distinctive responsibilities. The ultimate test of a board's effectiveness is its ability to attract and retain an outstanding chief executive.

Honest and open communication is the hallmark of a good relationship. Although the board must take ultimate responsibility for the institution's policies and performance, the chief executive must have the authority and flexibility to act decisively in full confidence that he or she has the board's support. It is inappropriate for a board to advocate for change and then shy away from publicly supporting the president or chancellor when the change is implemented. The president looks to the board for consistent encouragement and advice.

	Yes	No	Don't Know/ Can't Judge
1. Is the relationship between the chief executive and board built on mutual respect and confidence in one another?	[ ]	[ ]	[ ]
2. Does the chief executive provide the board with the information it needs to meet its responsibilities?	[ ]	[ ]	[ ]
3. Has the board delegated to the chief executive the authority and flexibility to manage and lead the institution?	[ ]	[ ]	[ ]
4. Does the chief executive consistently respect the board's responsibility to ultimately determine the institution's major policies?	[ ]	[ ]	[ ]
5. Does the board publicly support the chief executive when he or she must make difficult decisions that affect people and programs?	[ ]	[ ]	[ ]
6. Have the chief executive and board agreed on an annual performance review process that is appropriate to and respectful of the incumbent and the office?	[ ]	[ ]	[ ]

7. Has the board demonstrated concern for maintaining a competitive and appropriate package of compensation and terms of employment commensurate with the challenges of the presidency? [ ] [ ] [ ]

Summary: With regard to this criterion, the board's overall performance is:
[ ] Very Good [ ] Good [ ] Barely adequate [ ] Poor [ ] Don't Know/Can't Judge

Other comments or clarifications:

Illustrative Long Form
Governing Board Self-Study Survey

Part Two

General Assessment

1. What two or three top issues have most occupied the board's time and attention during the past year?

2. What were the one or two particular successes during the past year for which the board feels some special satisfaction?

3. What particular shortcomings in the board's organization or performance need attention?

4. Other comments or suggestions to help plan the workshop's agenda?

CHAPTER 4

Comprehensive Presidential and Board Review

The comprehensive presidential and board review focuses on the broad areas of institutional management and governance. A distinguishing feature of this review is that it encompasses a long time horizon—five to ten years. Many ideas in this chapter will make the most sense to institutions that are fortunate to have presidents or chancellors who have served with distinction for at least five years.

This chapter addresses the following proposition: There is an appropriate time when presidential and board relationships and performance are best reviewed simultaneously and comprehensively by a qualified third party.

This component of the tripartite review system—which also should be included in standing board policy and not adopted on an ad-hoc basis—opens the review process to the informed perceptions of other responsible leaders and constituents within the organization. It signals to the institution's many constituencies that the board and chief executive recognize their joint responsibility to strengthen management, governance, and the many ways the board and president work together. It makes them accountable. It also offers the important opportunity for the chief executive and board to confirm, within the context of how others see the institution's progress, that they have the basis for a longer commitment to each another.

Every governing board, through a process the board determines as part of its fiduciary and other responsibilities, is responsible for assessing presidential performance—with periodic invitations for other stakeholders to share their perspectives. This is consistent with the "AGB Statement on Institutional Governance," adopted by the AGB Board of Directors in 1998. Any group whose behavior can affect the organization's future, even if it is not necessarily under the organization's direct "control"—is a stakeholder. Their voices and perspectives on institutional management and governance should be heard and weighed. This is especially true with regard to the faculty, although many faculty eschew the term "stakeholder" because they believe their views should carry significantly more weight than those of other interested parties. In some sensible proportion to their number (and distribution among any multiple campuses or institutions), large numbers of faculty should be consulted. The committee overseeing the process, with guidance from the president, is the best resource for selection of these individuals.

Many chief executives and trustees are likely to find the policies and practices recommended in this chapter to be particularly provocative. Indeed, presidents and boards will need a great deal of faith and trust to adopt them as long-term investments in leadership and institutional health.

Breaking New Ground

In contrast to the other two elements of the assessment program, this third element will require more time, more money, and more courage to implement. Many incumbent chief executives, especially those who have long periods of distinguished service at the same institution, may have lukewarm reactions to this recommendation. Board chairs and other trustees who have benefited from exceptional chief executive leadership for long periods also may be reluctant to embrace the process. The operative cliché and rationalization seems to be, "If it ain't broke, don't fix it."

This third element, the most challenging part of a good performance-assessment program, is least likely to be adopted by trustees who believe that the board has a divine right to rule or that trustees have a monopoly on wisdom. Nor will this chapter sit well with politicized, ideologically driven, lethargic, or otherwise dysfunctional boards. There is no question that the full commitment of the board and the chief executive is essential for this process to work. The fundamental requirement is that their relationship is sound and healthy before entering the process.

The Schwartz survey contains evidence that boards are reluctant participants in performance reviews. Only 20 percent of public boards and 9 percent of private boards have conducted *simultaneous* presidential and board performance reviews, according to the board chairs Schwartz surveyed (Appendix H). Those that did so were unlikely to have retained the services of third-party consultants to help design and conduct the reviews.

Yet several public multicampus and system boards have had important and successful experiences with external performance reviews of campus heads. And a small but growing number of institutions have engaged consultants to assess the governing board's and chief executive's performances at the same time. Several, with uniformly positive results, have engaged AGB's Presidential and Board Assessment Service since it first was offered in 1998.

The advantages of the policy and process described here especially suit incumbent chief executives who have been at the helm for extended tenures and are prepared to make longer commitments to the presidency and institution. "A clean bill of health" fortifies leadership to proceed with the institution's agenda. In short, this component of sound assessment policy sets the stage for another extended period of leadership: It is open, consultative, collaborative, objective, comprehensive, and fair in purpose and methodology.

The longer a president remains in office, the more dominant he or she becomes. As a result, formal evaluations are either insignificant enterprises or traumatic events.

– J.W.N.

Moreover, for institutions and systems with strong traditions of faculty engagement and high levels of internal and external constituent participation in governance, this proposal will resonate positively. Opening the process makes great sense. Inclusivity (not political correctness), through the practiced eyes and ears of a sophisticated and suitable third-party consultant, gives appropriate voice to those who are deeply committed to the institution.

Clarifying Purposes, Designing Strategies

Although annual presidential reviews and periodic board reviews touch on matters of board-president relations and mutual support, they cannot scratch deeply below the surface of institutional management or governance. The perspectives of others rarely inform the process, even though boards and presidents understand that the institution's major internal and external

constituent groups have legitimate aspirations for, and valued perspectives on, its management and governance.

Most boards and presidents are capable of taking the long view of their institution's leadership. They see instinctively how a set of clear purposes, policies, and procedures can lead to a performance-assessment process that benefits the institution they serve. They can see that the process recommended here is entirely consistent with the tradition and principles of collaborative governance and that it furthers them. Indeed, it is difficult to conceive of a more effective way for an institution's top leaders to set an example for others: Self-improvement, based on broad consensus on institutional priorities, is everyone's business.

This third component of effective assessment practice should be conducted within five-to-ten-year cycles, and at appropriate moments. Some examples: approaching the end of a successful chief executive's second or third employment agreement, on the eve of transitioning the chief executive to his or her first multiyear contract (if one exists), prior to a comprehensive campaign, or before the institution's regional accreditation review. An alternative for institutions whose president and board are clear about their continuing commitment to each other is to award the new contract and then to use the assessment as a means of setting the next course.

In any event, once the board chair, chief executive, and the majority of board members are fully committed to the process and its timing, the chief executive and board chair, as ex-officio members, should form an ad-hoc review committee of three to five board members, depending on the size of the board. This is an ideal team to plan and oversee the process with the help of one or two carefully selected external consultants. With the consultants' assistance, members of the committee should do the following:

- Agree on (or reaffirm) the purposes, standing policy, general procedures, and timetable—in concert with the chief executive.
- Agree that the process should be completed within three months, commencing with the appointment of consultants.
- Decide who should perform the consultancy, with the understanding that the consultants should be acceptable both to the committee and the chief executive.
- Decide who within the administration should staff the committee's work with the consultants.
- Set the general boundaries of the process, but do not go too far with explicit plans until the committee meets with the consultants.
- Agree on (1) whom among the leaders of internal and external groups to interview, based on their ability to comment usefully on the board's and/or the president's work; (2) the need to consult all board members, ideally through interviews (in person or by telephone), but perhaps also through the use of open-ended written questionnaires (senior academic and administrative officers and deans all require interviews); (3) the specific questions to ask, with the understanding that these will vary among interviewees; (4) how to inform the community of the purposes and methodology of the process; and (5) to whom, in what form, and in what settings the consultants are expected to present a report.

Several of these procedural matters are discussed below in more detail, but they will apply differentially, of course, to different organizational settings. In the end, common sense will guide their application.

Few faculty or students have any notion of the competitive demands on the president's time and energy and the limitations of his or her authority. Nor do all trustees . . . .

– J.W.N.

Selecting the Consultants

A consultant team of two individuals may work best, particularly in large and complex

organizations. One should be clearly designated as senior to the other, but having two consultants brings many advantages. The synergy between two individuals in comparing what they learn is valuable. And as a practical matter, two individuals can conduct many more interviews.

One consultant might well be a recently retired president or chancellor who served with distinction; the other might be a veteran or recent trustee or regent. Because the scope of work encompasses broad management and governance issues, the orientations and experiences of such a team is important. The goal is to find two individuals who can work together effectively. Naturally, the senior consultant should feel free to suggest a counterpart. Among the obvious qualities and experiences to seek are these:

- Experience with one or more organizations that have similar missions and governance structures.
- No former, current, direct, or indirect, affiliation with the institution or its leaders.
- A personal style that engenders trust and confidence.
- An ability to see "the big picture."
- Experience or ability to conduct effective interviews (to maximize candor while separating significant from insignificant or self-serving observations).
- An ability to synthesize consensus and translate "findings" into constructive recommendations.
- Commitment of time and energy to stay within the preferred limit of three months.

The chief executive can give helpful advice on where to look for such individuals, as can national and regional higher education organizations. Before either party makes a commitment, the committee probably should interview top candidates, although this is not essential.

For some, the cost of retaining two consultants will seem high. Yet given what is required in terms of preparation, travel, and professional expertise, the amount normally will be less than one-quarter of the direct and indirect costs of a presidential search. What's more, this expenditure represents an investment in leadership. Amortized over as much as five to ten years, it is a bargain. What is it worth for the board to see the institution's governance and management in new and helpful ways? What is it worth for a president and board to discover some new ways of working together or to confirm their continued commitment to one another? What is the value of learning how the campus community views the institution's progress and the leadership of the chief executive and board?

Asking Questions, Engendering Trust

Only external consultants can elicit the candor and insight required for this third element of performance-assessment policy. Professional consultants have a far better chance of ensuring that no single stakeholder group controls the evaluation process, and they can separate substance from fleeting or unreasonable complaints rather easily. Further, experienced consultants know how to make interviewees comfortable, beginning with a clear explanation of their purposes and what will be done with the information and advice they provide. It has been proven time and again that interviewees are more forthcoming when they believe their opinions have honest, helpful, and consequential purposes. The pledge of absolute confidentiality is, of course, crucial.

The ultimate mark of the consultants' competence will be their ability to identify common themes and to synthesize information into specific recommendations for the president and board.

If the consultants are to submit a written report (determined in part by the board's response to applicable state open-records laws), they must extend the courtesy of sharing in confidence their final draft first with the chief executive, then with the committee, and then, if the committee previously had decided so, the board chair. There should be a confidential conversation in which each individual is given the opportunity to comment, ask for clarifications, and urge consideration of any changes. The occasional misunderstanding or misinterpretation should be corrected, of course, but the con-

sultants' judgment and professionalism should prevail. Subsequently, depending on the committee's decisions on procedural issues, copies may be provided to all committee members and then to all trustees. Some public statement achieves closure with all constituencies and formalizes the commitment of the board and president to accountable leadership.

Two final notes: First, although the foregoing suggestions and the illustrative policy in Appendix D are within the context of a single-campus institution that has its own governing board, multicampus and state system boards also will benefit from this process. The suggested interview questions are easily adaptable, and the individuals who should be interviewed will be rather obvious (campus heads, key legislative leaders, the governor and his or her education policy adviser, key state agency heads, business and labor leaders, and agricultural and other appropriate special-interest group leaders).

Second, in public institutions, before setting and/or implementing any assessment policy, carefully reviewing state sunshine laws with legal counsel is essential.

The Process

Once the consultants are selected and committed, they should meet with the committee and chief executive to agree on several important matters. The committee should provide various institutional documents, including copies of the president's management-review statements for at least the past five years (if they are available) and offer recommendations concerning the following:

- Criteria that will guide the assessment process for both the president and board.
- The nature of the president's written self-assessment for this joint review process.
- Generic interview questions for board members and others—consistent with the agreed-upon criteria (both sets of questions should distinguish between presidential and board performance).
- If any are to be used, written, open-ended questions for board members (particularly valuable when there are many trustees).
- Individuals to interview within and outside of the institution.
- What to say to the community—through the campus newspaper, by letter, or by other means—about the purposes, methodology, and schedule of the process.
- Dates for interviews (arranged by the staff liaison).
- The format of the committee's written report (if the committee desires one) and who ultimately should see it (or an appropriate version of it later on).
- The appropriateness for the president to see a draft of any written report first, as an important courtesy and for comment, before board leaders see it.
- Follow-up presentations and discussions with the full board and president in executive session.
- How to handle the outcomes of the process with the institution's various communities.

The committee also should be prepared to respond to these kinds of questions from the consultants:

- What have been the agreed-upon institutional priorities and major goals set by the board and president for the past five years?
- What level of the institution's faculty and staff organization should the process involve? (The institution's size and complexity will affect this decision.)
- Which community leaders should be interviewed?
- Should any individual seeking an interview be given one?
- How should the board chair and president inform the campus community about the purposes, methodology, and timetable of the process?
- If legally possible, should the board schedule a special meeting to listen to the consultant's report and discuss the recommendations in private?

Depending on the number of individuals to be interviewed, the consultants are likely to visit the campus at least once for two or three days—twice or more for larger or multicampus institutions. Some of the interviews will be conducted by tele-

phone, but nothing substitutes for face-to-face, one-on-one, and small-group interviews. By and large, however, the trustees can be interviewed individually by telephone more appropriately than can other interviewees. For boards with relatively large numbers of trustees, the consultants may recommend interviewing all those seeking the opportunity; they also might counsel use of a written response from all trustees—supplemented by interviews—to a series of open-ended questions (the next few pages provide illustrations). The two consultants will rarely conduct interviews together, and conversations should not be taped because this can have a chilling effect on candor. Complete confidentiality and anonymity with all interviewees must be assured and honored.

It also is useful to schedule time on at least two different days for anyone who wishes to visit with one of the consultants. Such requests are best scheduled through the staff liaison who is assisting with campus logistics. This helps diffuse any criticism that the process was open only to certain people.

Finally, it is not uncommon for the consultants to offer a few private observations and recommendations to the president and/or the board chair—matters that they chose for good reason not to include in the written report.

Typical areas to cover and the kinds of questions the consultants are likely to ask concerning the performance of the president and the board follow separately. In practical terms, however, most of these questions need not be covered in interviews with the same individuals. An illustrative board policy on comprehensive presidential and board assessment is in Appendix D.

The evidence . . .suggests that interviews when carefully conducted provide more satisfactory results. This is particularly true when a professional consultant or consultants are involved in the evaluation.

– J.W.N.

Illustrative Interview (Survey) Questions: The Presidency and Management

Institutional Agenda

Reflecting on the president's period of service, how has the institution progressed during this time? What can you point to that indicates the institution's health and standing have been strengthened by virtue of specific institutional goals and priorities having been met? Are any major institutional priorities being neglected?

Academic Leadership

How has the institution's general academic standing advanced since the incumbent began the presidency? What specific improvements in the quality of the institution's academic programs can be largely attributed to the president's leadership? What other achievements are particularly noteworthy with regard to the president's leadership with the faculty in academic planning and innovation? In enrollment management and admissions?

General Management and Planning

What can you point to as laudable achievements in the institution's infrastructure, staffing, and information systems? Has the president formed a competent, motivated, and respected management team? Are you aware of improvements in personnel and physical-plant management? How would you describe the way institutional planning is conducted?

Fiscal Management and Budgeting

How well does the president understand the institution's financial condition? Has he or she helped the larger community understand it? Has there been success in meeting budgets and containing costs? Reallocating resources? Adhering to good financial (operating and capital) management practices?

Fund-Raising

What successes illustrate the president's ability to raise private dollars from individuals, corporations, and foundations? Is it apparent that the governing board is supportive in its personal philanthropy and related activity? Are donations from alumni steady, increasing, or decreasing? For public institutions: How has the president contributed to the development and success of the institution's foundation? How effective is the president with the legislature, its key committees, and the governor?

Internal Relationships

With which of the following internal groups has the president been particularly effective and ineffective, and why: the governing board, academic and executive officers, staff, faculty, and students? What advice would you give the president concerning ineffective relationships, if any exist?

External Relationships

With which of the following external groups has the president been particularly effective and ineffective, and why: alumni, local business leaders, elected political leaders, and the media? What advice would you give the president concerning ineffective relationships, if any exist?

Decision Making and Problem Solving

Please describe the president's leadership style. To what extent does he or she delegate decisions when appropriate? How would you gauge the president's ability to cope in crisis situations? Can the president make difficult decisions in timely ways? Does the board encourage the president to demonstrate courageous leadership and to publicly support difficult decisions after they are made? Can you give some explicit examples?

Other Perspectives

Reflecting on the president's years of service, what major achievements or shortcomings come to mind? Is there evidence that the governing board and president are fully supportive of one another? What is the most important thing the president can do to strengthen his or her effectiveness? What is the most important thing the governing board can do to strengthen its effectiveness or the president's effectiveness? Any closing words?

Illustrative Interview (Survey) Questions: The Governing Board and Governance

Institutional Agenda

Reflecting on the institution's progress, especially over the past five years, what would you say about the board's contributions to it? How would you describe the board's leadership in working with the chief executive to reach consensus on institutional priorities and goals? How has the board helped achieve them?

Board Membership and Leadership

How would you describe the board's general leadership? What are your impressions of the trustees' commitment to the institution's advancement? Are effective individuals appointed (or elected) to the board? Is the turnover rate reasonable? Are there any factions among board members? If so, along what lines? How well are trustees informed about the institution, its strengths, and its needs? For what particular achievements can you give the board special credit?

Board Organization

If the board could do one thing to improve the way it does its work, what would that be? Is the board's committee structure effective? How well do most board members believe their time is used in committee and board meetings?

Planning and Goal Setting

How well does the board work with the president to identify and implement specific annual goals? What is the board's record in insisting on effective institutional planning? Is its participation appropriate? How accurate is the board's sense of how the institution is performing academically and financially?

Knowledge of the Institution

How well does the board understand the institution's issues, needs, and opportunities? Are most trustees able to identify which major academic programs are strongest and weakest, and why? Does the board have a clear picture of its financial condition, the condition of the physical plant, and its major capital and renovation needs?

Management and Governance

How well does the board understand the difference between management and governance? Are the majority of board members clear about the board's responsibilities? Which of these responsibilities do you believe the board meets especially well? Which does it meet less effectively, and why?

Adequacy of Resources

How would you rate the board's commitment to personal philanthropy for the institution? How adequate is its overall participation in fund-raising? How would you sum up the institution's current financial condition in light of its real needs? For public institutions: How well does the board balance institutional advocacy for its budget requests with its responsibility for accountability?

Key Relationships

How would you describe the current relationship between the board and the chief executive? What can the board or president do to strengthen their relationship and communication? With which of these internal groups has the board been particularly effective and ineffective, and why: faculty, students, and academic, executive, and other staff? With which of these external groups has the board been particularly effective and ineffective, and why: alumni, local business leaders, elected political leaders, and the media?

Institutional Autonomy [especially for public and church-affiliated institutions]

Has this board had to confront inappropriate political, special-interest group, or ideological intrusion of any kind? If so, how did it deal with it? Has the board had to demonstrate its understanding of academic freedom and its responsibility to defend and support it?

Other Perspectives

What is the most important thing the board can do to strengthen its effectiveness? What is the most important thing the president can do to help the board be more effective? How can they strengthen their relationship? Any closing thoughts?

CHAPTER 5

Individual Trustee Reviews

Thus far, this book has focused on assessing the "corporate" and collective leadership functions of the chief executive and governing board and on institutional management and governance. But what about the individual members of governing boards? Are there appropriate, constructive, and helpful ways to review their performance? What can we learn from others who have adopted some kind of self-improvement process? How common is this practice?

Performance reviews of individual trustees play an essential role in the process of a governance review. Yet some boards still may have difficulties in adopting them. It may make sense for some boards to fold this work into the triennial board self-assessment. Others may decide to incorporate some of these procedures at a later date or not at all.

In contrast to for-profit directorship, where such a practice is rare, growing numbers of college and university board members are assessing their commitment to their trusteeships. The Schwartz survey found that 39 percent of board chairs of independent institutions said their institutions had a process for assessing the performance of individual members; in contrast, only 6 percent of board chairs of public institutions said theirs had such a process. The difference between the two sectors is disconcerting.

The majority of independent boards that have some kind of review process for individual trustees conducted them "at the end of terms or when considered for reappointment" (76 percent); 42 percent of public boards that did so made it part of the process of a full board assessment. Many of these boards in both sectors undoubtedly used the "Trustee Audit" form that is an optional part of AGB's "Self-Study Criteria" survey for various types of governing boards. Since 1978, more than 16,000 board members have used these surveys, which include a section designed to help individual members think constructively about their knowledge and commitment to their board's work. As cited in the preceding chapter, the surveys are available only to participants in the association's Board Self-Study Workshop.

Another encouraging trend among private colleges and universities is their adoption of two related documents. The first is a statement of expectations for individual board members, typically a "Statement of Board Member Commitment and Responsibilities" (Appendix F). The second is a short survey, a series of questions, which incumbent board members who are eligible for reelection (or reappointment) to the board are asked to complete before the end of their current terms. The committee on trustees (perhaps still called the "nominating

committee") typically undertakes these two initiatives at the board's behest.

The statement of responsibilities becomes the framework by which board members can review their own performance. In private colleges and universities, the appropriate committee can use it as a basis for reviewing the performance of incumbent trustees. It also is a wonderful means of educating candidates for trusteeship and helping them decide whether to accept an invitation to join a board. Just as every board should have an appropriate "job description," or statement of corporate responsibilities, clearly presented in its bylaws, a separate statement of responsibilities for *individual board members* also is needed.

The unfortunate practice of telling prospective board members that expectations of them are minimal has virtually disappeared in private higher education. Today, before they join boards of any kind, people want to know what to expect. Indeed, a board's ability to be explicit is a sign of healthy governance and substantive trusteeship.

In public higher education, however, most newly appointed or elected board members have very little understanding of their responsibilities, the extent of their time commitment, or how to cope with the ambiguities of trusteeship in responsible ways. Although most public boards and presidents have little or no influence in the selection of colleague board members, these officials should develop and adopt their own statements of trustee responsibilities. Doing so goes a long way to clarify and guide the kind of commitment and behavior public board members should seek in one another—for the good of their institutions and the people they serve.

Breaking More New Ground

It is a tribute to the nation's 50,000 college and university trustees that so many are willing to participate conscientiously in board assessment activities along the lines suggested in Chapters 4 and 5. But being willing—as individuals—to subject themselves to honest introspection, let alone independent review by a board committee, is quite a leap of faith. Yet the members of many boards are moving in this new and important direction. They are breaking new ground and setting important precedents for their successors.

It is possible and highly desirable for every board—public as well as private—to define appropriate and reasonable expectations of its members. Although, for instance, no appointing authority will say to a nominee for public trusteeship that providing an annual personal financial contribution to the organization is required, the fact is that public colleges and universities increasingly depend on private gifts. Public trustees should be able to see the importance of setting an example on this score. Of course, making an annual gift is not by itself a sufficient measure of commitment.

Other matters can be difficult for some public trustees, as well. For example, trustees *as individuals* have no authority or legal standing; this is reserved for the board as a corporate entity. And some public trustees misunderstand their duty to use their best personal and independent judgment at all times; instead, they provide unwavering allegiance to the governor who appointed them.

Once a board commits itself to defining reasonable guidelines for its members, it is a logical next step to ask individual board members to reflect on their own performance by means of a self-administered survey. For private institutions, only members of the committee on trustees should see the responses of individual board members. For public institutions, individual responses can be aggregated for discussion purposes only. The important thing is to experiment with one approach or another.

Designing Strategies

The "Illustrative Statement" in Appendix F is adapted from a statement developed and adopted by a residential liberal arts college. It was drafted by the members of the board's committee on trustees following a retreat devoted to self-study of the board's performance. One out-

come of that event was consensus that the committee should assess the performance of all trustees who are eligible for reelection. The board acknowledged that it needed to define its expectations of all board members, list what constituted meaningful trusteeship, and without losing the commitment of the most deserving veteran board members, encourage greater trustee turnover. Consensus prevailed that this endeavor was desirable to the imposition of term limits. After five years of experience with the statement (and a complementary self-review form), the trustees and college officials say they are pleased with the process.

With regard to self-review, there are basically two ways to proceed. One is to develop a short questionnaire that cites desirable standards for all board members. For example, a private board might require all trustees eligible for renomination to answer the questions approximately one year before the end of their terms. Coupled with attendance and giving records, the answers provide the basis for candid discussion within the appropriate committee. The results of this semiprivate process enable the board chair, president, and appropriate committee to gauge the relative satisfaction of individual trustees. In turn, trustees have an opportunity to ventilate concerns or issues and reflect on their willingness to commit to another period of service. Often, the board's leaders can address the trustees' concerns, and this can lead to greater trustee involvement and motivation.

The second way to proceed is to distribute an appropriate survey to all board members simultaneously—either for discussion as part of a retreat focused on board performance or as part of a meeting focused solely on the survey's anonymous, aggregated responses. This can be useful every three to five years as part of a board self-assessment workshop.

The first approach, developing a self-review form for trustees, can be adapted from the version illustrated here. This form can be easily adapted to different institutional settings, but it is important for the board first to discuss and "buy into" the need for periodic and personal self-assessment. This can be encouraged and accomplished, for example, as part of a board self-study workshop or retreat where other important and related matters are candidly discussed. Here again, an external facilitator can more easily call attention to this concept than can board or institutional leaders. An example of the second assessment approach—developing a trustee audit for use with all board members at the same time—appears after the self-review form.

Illustrative Trustee Self-Review Form (Name of institution or organization)

As part of the board's mandate to the committee on trustees to review the performance of all trustees who are eligible for reelection, all board members are asked to complete this form about one year before they complete their current term. The committee and respondents have found the information provided in this form to be very helpful.

As you know, the board adopted a "Statement on Commitment and Responsibilities of the Members of the Board of Trustees of [institution]" to clarify the expectations we hold for one another. We ask all board members to review it, along with the board's policy on conflicts of interest, and to sign a disclosure statement each year. Only the members and staff of the committee on trustees will see your responses.

Upon its completion, please return the form in the envelope provided to [name of individual and title]. Thank you for your participation in this process.

Please write a brief statement that reflects your level of achievement for each of the following trustee responsibilities:

- Attendance at board meetings:
- Active participation on one or more board committees:
- Personal financial contributions:
- Participation in fund-raising efforts:
- Initiatives to help promote the institution (with alumni, potential applicants, and others with personal influence):
- Active participation with other board members to shape and review the best possible board policies:
- How has your participation as a trustee contributed to the board's work through its committees and otherwise? In a similar vein, if you have special interests, talents, or skills that could be shared more fully, please elaborate.
- How can your effectiveness as a trustee be enhanced? (For example, if you seek a change in committee membership, please elaborate.)
- Will your personal commitments leave you with adequate time to serve as an effective trustee in the next several years?

- Please indicate your level of interest in continuing as a trustee:
  [ ] Very interested and willing
  [ ] Interested
  [ ] Not certain
  [ ] Not interested

- Do you have other personal comments you wish to convey to the committee on trustees?

By signing this form and returning it to [the board corporate secretary or the chair of the committee on trusteeship], I acknowledge that I have reviewed and understand the requirements and conditions of the "Statement of Policy on Conflicts of Interest" adopted by the board of trustees that has been provided to me separately.

Date: _____ Signature: _____

A much more comprehensive form also can be developed for completion *privately and anonymously* by each board member. By aggregating responses, each board member can see how his or her responses compare with colleague trustees as a group. Any temptation to "score" responses should be avoided, however. This kind of survey or checklist can be used as part of a periodic board self-assessment process every three or four years.

The various AGB versions of the following survey typically include some 30 to 35 separate items in these five categories: Background, Knowledge of the Institution, Board and Committee Meetings, Fund-Raising and Public Relations, and Trustee Concerns. The last question is this: "How would you rate yourself as a trustee at this time?" The possible responses are simply "above average, average, and below average." Within a given board, one or two trustees may choose to avoid responding to this question—but that should not be construed to mean that they have missed the question's purpose!

It has been gratifying to see some institutionally developed versions of the AGB "Self-Study Criteria" and the "Trustee Audit," but they vary greatly in quality.

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Illustrative Trustee Audit
(Excerpts from AGB's Survey)

Background

	Yes	No	Somewhat or Sometimes
1. Do you have a reasonably clear sense of your obligations and responsibilities as a trustee?	[ ]	[ ]	[ ]
2. Do you have a clear grasp of your board's responsibilities?	[ ]	[ ]	[ ]

3. Please mark with an "x" (1) your strongest areas of expertise based on your background and personal experience and (2) your primary areas of interest outside of your background and experience.

Expertise	Interest	Expertise	Interest
[ ]	[ ] Budget/Finance	[ ]	[ ] Student Affairs
[ ]	[ ] Investments	[ ]	[ ] Faculty Affairs
[ ]	[ ] Management	[ ]	[ ] Fund-Raising
[ ]	[ ] Planning	[ ]	[ ] Public Relations
[ ]	[ ] Legal Affairs	[ ]	[ ] Marketing
[ ]	[ ] Plant Management	[ ]	[ ] Government Relations
[ ]	[ ] Real Estate	[ ]	[ ] Education
[ ]	[ ] Insurance/Risk Mgt.	[ ]	[ ] Other: _____

Knowledge of the Institution

	Yes	No	Somewhat or Sometimes
4. Are you familiar with your institution's history and what makes it distinctive?	[ ]	[ ]	[ ]
5. Are you generally familiar with the institution's stated mission, priorities and needs, and policies?	[ ]	[ ]	[ ]
6. Do you know which major academic programs are particularly outstanding, which are weak, and why?	[ ]	[ ]	[ ]

Board and Committee Meetings

7. Are you pleased with both your attendance and level of participation at board and committee meetings?	[ ]	[ ]	[ ]
8. Do you read the minutes of meetings to help determine whether they faithfully represent the proceedings and decisions as you recall them?	[ ]	[ ]	[ ]

	Yes	No	Somewhat or Sometimes
9. Do you help the board steer clear of nonpolicy or management matters better left to the president and the administration?	[ ]	[ ]	[ ]
Fund-Raising and Public Relations			
10. Do you contribute a gift to your institution according to your means for:			
• annual operations?	[ ]	[ ]	[ ]
• capital campaigns?	[ ]	[ ]	[ ]
11. Within the past year or two, have you helped to secure a gift from an individual, corporation, or other source for your institution?	[ ]	[ ]	[ ]
12. Within the past year or two, have you taken advantage of an opportunity to say a good word about your institution to an influential person or organization?	[ ]	[ ]	[ ]
Trustee Concerns			
13. Are you clear in your understanding of your institution's financial condition?	[ ]	[ ]	[ ]
14. Do you keep your chief executive informed of any substantial and continuing personal relationships and communication with individuals on campus?	[ ]	[ ]	[ ]
15. Do you avoid asking special favors of the administration?	[ ]	[ ]	[ ]
16. Have you found your trusteeship to be stimulating and rewarding thus far? Why?	[ ]	[ ]	[ ]

17. Compared with your colleague trustees, how would you rate your commitment and performance at this time?

[ ] Above Average [ ] Average [ ] Below Average

Postscript

There can be no doubt that the most important relationship affecting presidential and board leadership is between the chief executive and the board chair. Theirs is an enormously important and shared set of wide-ranging responsibilities. How they work together directly and indirectly affects how well the organization is managed, governed, and led. Only effective chief executives and board chairs, working together, can deal with the obstacles likely to impede adoption of some or all of the policies and strategies this book suggests.

The national survey cited in this book reveals that one of the biggest obstacles reported by board chairs and presidents with respect to assessment practices is the lack of board and trustee commitment of real time and energy to the task. That is a very big obstacle indeed. Persistence and unity pay off, however. So does securing the advance support of other highly respected board members. And not permitting one or two trustees with dominating personalities to exercise minority vetoes also is key—something to be avoided in the conduct of all board business. In the end, however, the board chair's leadership will make the most difference. The chair's ability to prepare the case, convince other board leaders, anticipate the reluctant trustee, and ensure a process for open and candid deliberation should help these ideas prevail.

Whether an institution can or should adopt all elements of the program this book recommends is, of course, a judgment call. For some, this may be too big a leap of faith, especially for a board that is nowhere close to practicing these concepts. For such boards, an incremental approach may be prudent. For instance, it could insert periodic and structured reviews of the presidency alone for a fixed period of time. For other boards and chief executives, the full program will make sense, and the timing will be right. For still others, a different procedure, with similar aims, may best respect institutional integrity and needs.

One final note concerning what is probably the most provocative recommendation in this book—comprehensive presidential and board assessment. This recommendation is likely to generate the most resistance because it requires the greatest commitment of time and money and because it "opens up" the process to the views of others. Many governing boards, trustees, and chief executives will be reluctant to entrust the conduct of such a process to others, even those carefully chosen for their professionalism and experience.

Their understandable reluctance will fade if the relationship between the chief executive and board is strong and mutually supportive and if they can recognize the tangible benefits of con-

fidence in one another's leadership over time. The process should not be employed when the chief executive, the majority of a governing board, or both have serious doubts about whether they wish to reaffirm a long-term relationship. When there is evidence of a bad fit, boards and presidents should find other more appropriate procedures that allow them to part company with civility and grace. What's more, it is naive for any board to think that a consultant with a solid reputation for professional integrity will agree to a "performance review" in the midst of such tension. The process must be built on a solid platform of mutual confidence and trust—of the kind advanced by implementation of a full policy of presidential and board performance review.

At this point, those long experienced with the vagaries of presidential and board politics may well ask, "So this system works best when it's least needed?" The combination of annual presidential performance reviews and triennial board self-assessments makes it unlikely for an ineffective board and chief executive to reach the five-to-ten-year milestone of joint board and presidential assessment. Moreover, because the exact moment to conduct the joint assessment is not set in stone, the board and president can wait out a difficult moment. Even in the midst of protracted difficulties, private conversations other than an "assessment" make far more sense.

The true difficulties with formal assessments occur when, in the absence of any policy or history of careful presidential and board assessment, a board decides to perform an assessment at an unhappy moment in a given presidency—"to find out what's really going on" and "to tell us whether to terminate this contract and hire a new president." Again, the advantages of adopting a comprehensive policy at the start of a presidential search are clear.

The governing board blessed with an effective chief executive always should look to him or her for advice first, whether the need is for background readings, for candidates to serve as consultant-facilitators, or to learn from the recent experiences of peer institutions. But other sources also can be helpful, including AGB and other national organizations.

In addition to the resources cited in Appendix I and throughout this book, AGB provides its member boards and chief executives with access to related services. For example, AGB offers a Board Self-Study Workshop with competent facilitators who have been screened for their knowledge of trusteeship and group-process skills. The workshop provides written self-study surveys that can be adapted to unique institutional missions and governance structures. AGB also offers a Presidential and Board Assessment Service that allows institutions to select teams of two consultants who have been screened for such work. And it offers a half-day Board Education Workshop on presidential and board assessment to help determine the pros and cons of various approaches. More information on the foregoing can be found at the association's Web site, www.agb.org.

From time to time, the association also offers sessions on the issues and ideas covered in this book at its National Conference on Trusteeship. Finally, through its Zwingle Resource Center, accessible to members on the Web site, AGB offers a variety of policies and practices adopted by other boards as well as relevant articles and books. Readers are cautioned, however, that not everything boards and presidents are doing today constitutes best practice. The purpose of this book is to encourage better policies and strategies.

As you work out for your own institution the ways in which the practices suggested in this book make the most the sense for you, please share your experiences with AGB. The association collects and disseminates successful performance-assessment policies and practices.

This volume is the product of the experiences of leaders in higher education over the last two decades. Through carefully designed and implemented strategies of performance review that are adapted to each institution's own culture and traditions, all of our institutions grow in stature, strength, and stability. Our joint learning continues.

About the Authors

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Tom has conducted 125 workshops for the governing boards of public and private higher education institutions since 1975 and has written extensively on trustee education and board development, board-president relationships and leadership, and other governance matters. Among his recent publications are *Governing Independent [Public] Colleges and Universities: A Handbook for Trustees, Chief Executives and Other Campus Leaders* (AGB and Jossey-Bass, 1993) and *Effective Trusteeship* (AGB, 1995). His "Ten Basic Responsibilities of Nonprofit Boards" (National Center for Nonprofit Boards, 1996) has sold nearly 100,000 copies. Tom holds degrees from Indiana University of Pennsylvania, the University of Pittsburgh, and the University of Maryland, College Park.

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About the Association of Governing Boards of Universities and Colleges

AGB is dedicated to strengthening the performance of boards of private and public higher education. It advances the institution and practice of citizen trusteeship that has distinguished American higher education for more than 350 years. By serving as a continuing-education resource to trustees and boards and by contributing to effective working relationships between boards and chief executives, AGB seeks to strengthen the governance of higher education institutions.

AGB's membership comprises 1,100 boards that govern 1,800 campuses in the United States, Canada, Mexico, the Caribbean, Europe, and Pacific Trust Territories.

It includes every type of higher education institution in the public and private sectors, state coordinating boards, specialized schools, seminaries, independent K-12 schools, and the boards of foundations affiliated with public colleges and universities. More than 34,000 trustees, presidents, chancellors, and other senior administrators are AGB members.

APPENDIX A

Illustrative Policy Governing Performance Reviews of the President and the Board of Trustees

Recognizing the importance of having exceptional leadership throughout [name of institution], and that each of us, our enterprise, and the people it serves benefit professionally and personally from constructive reviews of how we exercise our responsibilities, the board of trustees establishes this policy on presidential and board assessment. In doing so, the board acknowledges the importance of meeting its responsibilities, with the president, for effective institutional governance and management.

1. ***The board shall review the president's stewardship annually.***

This process shall be elaborated in a separate procedural statement and periodically revised and brought to the board for approval. The heart of the process shall be a written self-assessment by the chief executive and will include a report on the goals and objectives from the previous 12-month period (as previously agreed upon by the president and the board). It also shall include proposed goals and objectives for the subsequent 12 months. Other questions to be addressed by the chief executive and other information about the institution's condition and progress will be agreed upon with the chief executive in advance and will be appended to his or her written statement.

This process shall be conducted by the board's compensation committee [or other appropriate committee] and the chief executive. Together, they shall determine the format of the president's report and an appropriate schedule for completion and discussion with the committee and the full board.

Note: It is appropriate for the compensation or executive committee to serve as a surrogate for the full governing board in this regard. If this is done, however, it is important that the full board, in executive session, be given a thorough briefing of the review the committee has conducted, along with a presentation of the president's proposed goals and objectives for the following 12 months. The chief executive should participate in this discussion. Subsequently, the appropriate committee should meet without the president to decide on and recommend compensation adjustments. In independent institutions, the executive committee should discuss and ratify these adjustments; preferably, the full board should do so (especially in public institutions).

2. ***The board shall conduct a self-study of its stewardship every three or four years.***

This process shall be elaborated in a separate procedural statement and periodically revised and brought to the board for approval. The

heart of this process will be the aggregate written assessments or surveys of all board members. The committee on trusteeship or an ad-hoc board-review committee will determine the appropriate format of the self-assessments. The board shall commit itself at least to a full-day process for the self-study. The committee shall determine the time, place, and leadership of the process and coordinate these arrangements with the chief executive. They shall determine all procedural matters consistent with this policy, but to help organize and conduct the self-study process and to ensure its objectivity, candor, and utility, they are urged to identify and engage a qualified external facilitator.

3. ***At least once in every five-to-ten-year period of presidential incumbency, and as the board shall determine, the chief executive and governing board shall participate in a comprehensive joint-review process conducted by external consultants.***

Assuming that the president and governing board are prepared to renew a long-term commitment to one another, the two parties should mutually decide on the timing and details of a process by which a third party can assess the institution's management and governance. This process shall be elaborated in a separate procedural statement and brought to the board for approval. The heart of this process shall be personal interviews with the chief executive, trustees, and appropriate individuals as well as small groups of leaders of both internal and external stakeholder groups and organizations. Because the special focus of the process will be on the chief executive-board relationship and on matters of broad institutional management and governance, one or two qualified external consultants shall be retained to ensure that the process is objective, candid, and useful.

This process shall be coordinated by a special ad-hoc review committee of board members (or another appropriate committee) and the chief executive. The committee shall select and work with external consultants to (1) establish the necessary protocols, (2) determine whom besides the chief executive and individual board members to interview, (3) decide on the form of the consultant report and related expectations, and (4) fix the schedule of activities. Once the consultants are selected, the entire process ordinarily shall be completed within three months, including a thorough presentation to and discussion with the full board and president.

Note: This and the following three or four illustrative policies may be combined within a single board policy.

APPENDIX B

Illustrative Board Policy and Procedures: Annual Presidential Performance Reviews

This supplements the board's standing policy concerning presidential and board performance reviews. It details the purposes and process by which the president's performance, beginning no later than the end of his or her second year of incumbency, shall be reviewed each year.

Purposes

To enable the president to strengthen his or her performance, to enable the president and board to reset mutually agreeable goals, and to inform annual decisions on compensation adjustments and other terms of employment.

Responsibility

It shall be the board's responsibility to assess the president's performance and to solicit the views of other leaders within and outside of the institution. For the purposes of annual presidential reviews, however, the process shall be a private matter between the board and the president. The board delegates to the [compensation, executive, or other] committee and board chair, as they shall mutually decide and within the parameters of this policy, the responsibility for organizing and conducting the process with the president.

Process

The heart of this process shall be a written management-review statement by the president in a format and timetable mutually agreed upon with the appropriate committee. Normally, unless revised by the committee in consultation with the president in the intervening period, the statement will retain the same format. This statement, along with any supplemental information the committee may have requested of the president, shall be sent to all board members before the board meeting at which the president's review process and goals will be discussed (with the president present). Because this statement constitutes a potentially sensitive personnel matter, all trustees are expected to treat it as strictly confidential.

As soon as is practical following their receipt of the president's annual statement, the committee and board chair shall meet with the president to discuss the statement and his or her proposed goals for the coming year. At the board's next regularly scheduled meeting, the committee's chair and the board chair shall inform the board of trustees of the process to date. At that time, in executive session, they also

shall engage the board in a discussion of the president's goals for the subsequent year and ask the board to approve them. This meeting is intended for the board and the president to have a wide-ranging discussion about the conduct of the presidency within the context of institution's progress. The board, of course, reserves the right to adjust the proposed goals and priorities.

Outcomes

Following discussion with the president about the president's performance, and following agreement on his or her goals for the next 12 months, the board or executive committee shall, in executive session, receive, discuss, and ratify the recommendations of the [compensation or other appropriate] committee. The annual process of reviewing and adjusting the president's compensation and other terms of employment are set forth in a separate board policy. Immediately following this meeting, the board chair shall meet with the president to report on the board's private deliberations, including its decisions concerning compensation. The chair of the compensation committee and the board chair subsequently shall cosign a confidential memorandum-for-the-record that briefly summarizes the board's conclusions, as well as all actions taken in executive session concerning the president's performance review and compensation.

Note: This illustration of board policy for annual presidential review is particularly suited to a public or independent institution that has its own governing board. In the case of a statewide or other multicampus structure with a system executive vested with supervisory and chief executive responsibilities for several campus heads, a different scenario pertains (see Appendix E).

APPENDIX C

Illustrative Board Policy and Procedures: Commitment to Periodic Self-Study of Board Performance

This supplements the board's standing policy concerning presidential and board performance reviews. It details the purposes and process whereby the board shall assess its performance at three-to-four-year intervals.

Purposes

To enable the board to strengthen its performance, identify and reach consensus on its goals, ensure that the board has a clear grasp of its responsibilities, strengthen relationships among board members and especially with the chief executive, and clarify expectations among board members and with the chief executive.

Responsibility

It shall be the responsibility of the chief executive and board chair [or the executive committee, committee on trusteeship, or an ad-hoc self-study committee appointed by the board chair] to plan a special workshop devoted entirely to reviewing the board's work.

Process

To allow for necessary planning, a workshop date and meeting site shall be agreed upon by the board at least three months in advance. At least eight hours of meeting time shall be allotted, preferably split between two consecutive days. Ordinarily, only the trustees and the chief executive shall participate.

A facilitator not directly connected with the institution shall be retained to help plan and conduct the workshop. He or she shall have requisite knowledge of trusteeship, institutional governance, and the conduct of the academic presidency, along with good group-facilitation skills. With his or her assistance, an appropriate written survey shall be selected or developed for completion by all board members. A summary of all board member responses to the survey, without attribution, shall be provided to all board members before the workshop. These results shall be the basis for discussion.

The board shall not be officially convened to transact institutional business. Rather, the workshop is intended to explore opportunities to strengthen the board's effectiveness, including its relationships with the president and stakeholders.

Outcomes

The workshop will be planned and conducted in such a way that the board and chief executive can decide on explicit actions for subsequent consideration. These shall be summarized in writing within a reasonable time and distributed to all board members. The board chair and president shall be responsible for ensuring appropriate follow-up.

APPENDIX D

Illustrative Board Policy and Procedures: Commitment to Comprehensive Presidential and Board Review

This supplements the board's standing policy concerning presidential and board performance reviews. It details the purposes and process whereby the board shall assess simultaneously its performance and that of the president, at five-to-ten-year intervals, and with the assistance of external consultants. Its implementation presumes that the president has served with distinction in his or her position for at least five years.

Purposes

To strengthen chief executive and board leadership by assessing the quality of their relationship and communication with one another on goals and mutual support through an independently conducted process. The process seeks to gather, on a wide range of management and governance matters, the informed perceptions of leaders of major internal and external stakeholder groups, as well as those of the president and trustees. An additional purpose may be to help the president and board decide whether to make a longer commitment to one another.

Responsibility

It shall be the responsibility of the board chair and chief executive to mutually determine the composition of an ad-hoc assessment committee of three to seven board members, one of whom will be designated chair. The president and board chair shall be ex-officio members of the committee. The committee shall be responsible for identifying one or two consultants to advise the committee on and conduct the review process. No consultant shall be connected directly or indirectly with the institution by present or past affiliation. The chief executive shall be consulted on and be comfortable with the choice of consultants, at least one of whom may be a former chief executive of an institution of similar scope and mission. Procedural details shall be decided upon by the committee—with the consultants' advice and counsel, and within the parameters of this policy.

Process

All activities in this process shall be completed within three months after the selection of the consultants. The activities shall include personal and small-group interviews with appropriate individuals, internal and external to the institution, as the committee and consultants shall

agree on. They also shall agree on the general nature of the questions to ask. A staff member shall be assigned by the board chair and president to work directly with the consultants and the committee.

The customary annual presidential management review shall be modified consistent with the consultants' and committee's advice. Prepared in advance of the review process, the statement shall provide a comprehensive picture of the institution's academic, financial, and other indicators of progress during the chief executive's tenure. It should highlight particular achievements, as well as persistent institutional issues.

The committee also shall decide how best to seize the opportunities for communication with the community before, during, and after this process. The committee is delegated the authority to set (1) the consultants' compensation and an appropriate schedule of payments and reimbursements, (2) the report's general written and/or oral format (for later submission to the committee, president, and board), and (3) the arrangement by which the consultants will be available to discuss their report with the president and the full board in executive session.

Outcomes

The consultants will provide a comprehensive written report detailing the institution's progress and major achievements during the president's tenure. This shall include several substantive recommendations for the president and the board designed to strengthen the institution's management and governance. The report may, without committing the consultants to an opinion, help the board and the president decide whether to consider setting or renewing a longer commitment to one another.

Note: This policy illustration can be adapted for use by multicampus and state system organizations with regard to system head and board performance. See Appendix E for an illustration of a policy on campus or institution chief executive assessment within state systems or multicampus organizations.

APPENDIX E

Illustrative Policy Governing Chief Executive Performance Assessment In Multicampus Settings

Note: Assessing the performance of institution chief executives within system structures is far more complex than in single-campus institutions. This complexity stems in part from the fact that system chief executives have widely varying degrees of influence on institutional academic leadership and the management of campus-support infrastructures. Even within the same structure, as personalities and priorities change over time, different executives and governing boards will have different philosophies about decentralization and centralization of authority on many substantial issues.

Just as the system chief executive's ultimate effectiveness depends on the quality and commitment of his or her board, it can be difficult to distinguish the individual institution or campus executive's performance completely from that of the system executive (and board). In general, the fewer the campuses within a comprehensive structure, the more relevant can be the relationship between system and campus head; that is, their respective performance potentially is more interdependent than in larger enterprises.

Generally, the larger and more complex a system, the more difficult it is to design and implement performance-assessment policies and practices. It is important for members of system boards to accept, for example, that they are not in the best position to assess objectively the work of campus or institution leaders—for several obvious and important reasons.

The system head in consultation with the campus head and any local advisory or quasi-governing board should conduct the performance-assessment process annually; periodically and more comprehensively, independent third-party consultants, in consultation with the system and campus head should conduct these assessments. Of course, performance assessments also offer rare and valuable opportunities to educate system-board members about component campus programs, policies, and people.

The following illustrative policy is consistent with the principles of sound assessment practices in single-campus settings discussed earlier in this book. It is largely an amalgam of the best elements of policies from several public multicampus and state systems and presumes that a separate policy guides the review of the system head. The example in Appendix A can be adapted to different circumstances and structures. This model is particularly suited to settings where the chief executives have three-year or five-year renewable employment agreements, but it does not account for the possible existence of local advisory or quasi-governing boards. In such cases, these boards often are delegated substantial authority; therefore, they should have a voice in the assessment process.

Finally, the specific terms of open-record and open-meeting laws within a given state obviously can have dramatic effects on the design and implementation of all policies. Consultation with legal counsel is important.

Component/Campus Chief Executive Assessment Guidelines

(Note: This illustration assumes there are executive heads of each entity. Although their titles often are reversed, this illustration assumes that the campus chief executive is the "president" and the system head is the "chancellor.")

This policy details the purposes and processes by which presidential performance is reviewed (1) annually, beginning no later than toward the end of the second year of incumbency, and (2) at five-year intervals, beginning well before the end of the fifth year of service. The chancellor of the university [or system] is responsible, consistent with this policy, for the conduct of these campus reviews. These guidelines shall be adjusted as appropriate to reflect the specific mission of each organization within the system: [cite names of institutions/organizations]

Purposes

The purpose of annual reviews is fourfold: (1) to enable the president to strengthen his or her performance, (2) to enable the president and chancellor to set or reset mutually agreeable goals for subsequent ratification by the governing board, (3) to educate members of the system board about the programs, policies, and personnel on the campuses, and (4) to inform annual decisions on compensation adjustments and other terms of employment.

The five-year comprehensive reviews have three additional purposes: With the assistance of external consultants, they are intended (1) to solicit, on broader aspects of institutional health, management, and governance within a longer time frame, the informed perceptions of members of major stakeholder groups; (2) to engage and inform a wide range of campus constituencies; and (3) to enable the chief executive and system management to consider whether they have the basis for an extended period of commitment to one another. The chancellor may seek the board's approval to adjust this schedule for particular individuals.

Annual Review Process

The heart of this annual process shall be a written self-assessment by the president, in a format and timetable mutually agreed upon by the chancellor and the president. Normally, the statement will use the same format of the preceding year (unless the chancellor requests a different format), and the process will be reviewed in advance with the president. General consistency is expected across components, with the understanding that flexibility often is required.

Upon submitting the statement to the chancellor, the president and chancellor shall meet to discuss the statement and accompanying information. Particular emphasis will be placed on retrospective and prospective goals. In executive session, the chancellor shall provide the board with a general overview of the institution's progress and the goals agreed upon by the president and the chancellor for the ensuing year. Subsequently, the chancellor shall write a summary of mutually agreed-upon goals for the following year and offer any other pertinent observations and understandings for the president and for system personnel records. This process is to be respected by all parties at all times as a confidential personnel matter.

Comprehensive Review Process

This process, normally conducted early in the fifth year of incumbency and every five years thereafter, requires the leadership of one or two external consultants, chosen by the chancellor and acceptable to the president. Ideally, at least one of the two consultants should be a former chief executive with experience as head of an enterprise similar in scope and mission outside of the state. The consultants are responsible for conducting personal interviews with a broad array of individuals (internal and external to the institution) and for providing a comprehensive written report detailing the institution's progress and the president's performance. The report will contain explicit recommendations that will help strengthen the president's performance, his or

her relationships with the chancellor, and relationships with constituent groups, as appropriate. The consultants will receive logistical support from a staff member the president selects (to schedule interviews, make lodging and transportation arrangements, and so forth).

In contrast to the annual written management review, the president shall provide the chancellor and the consultants with a confidential written document that is more comprehensive and that covers the preceding period of service. The president shall have wide latitude in the format of this report, but it should present a clear picture of the institution's academic and financial progress and condition and use appropriate qualitative and quantitative benchmarks. It should highlight what the president views as his or her major achievements and concerns.

The analysis also should document the institution's record of service to its surrounding community and the state, the major improvements in and current condition of the physical plant, and overall campus morale. The president should make special reference to achievements and concerns regarding the quality of and changes in academic programs (undergraduate and graduate), faculty appointments and retention, student and staff recruitment and retention, alumni support, and fund-raising (unrestricted and research). The president also should reflect on his or her leadership within the local community, the system (including working relationships with the chancellor and system staff), and with the broader higher education communities. References to preceding annual performance reviews are appropriate.

The chancellor (and president, as appropriate) will provide the visiting team of consultants with copies of the president's self-assessment, other annual self-assessments, a history of the institution and description of its programs and services, any relevant institutional trend and benchmark data for the five-year period not otherwise provided, and a copy of the regional accrediting association's most recent report.

The consultants first will meet with the president and ordinarily will conduct at least three consecutive days of interviews on campus at an appropriate location. In some cases, depending on the size and complexity of the institution, it may be necessary to return a second time. It may be necessary to conduct some interviews by telephone or in groups of two or three.

The president will provide the chancellor and the consultants with a list of the names, titles, and phone numbers of those who should be interviewed. These should include all institutional officers reporting directly to the president, all deans and directors of major units, current and recent faculty senate leaders, other faculty members who have chaired special institutionwide committees or projects, student government officers, elected leaders of the staff council, elected officers of the alumni association, the chancellor, and the system chief academic officer. Externally, it will be important to interview a few prominent local business leaders, along with elected political and other community leaders knowledgeable about the institution and the conduct of the presidency.

Upon completion of the site interviews, the consultants should meet with the president to clarify any relevant matters. With the understanding that they reserve the privilege of accepting or declining any suggestions for change or clarification, the consultants' draft written report should be sent to the president to allow him or her to comment on their findings and recommendations. Once placed in final form, confidential copies will be sent by secure mail to the chancellor and the president.

As soon as possible after receiving the consultants' report, the chancellor shall meet with the president, ideally in the presence of the consultants, to discuss the report and the president's self-assessment. Special attention will be given to short-term and long-term goals. The chancellor then shall report to the board, in executive session, about the process, the consultants' report, and his or her personal assessment of the president's performance in light of the institution's progress, management, and governance. The president's presence and participation at this session adds dramatically to its helpfulness and impact.

The process will conclude with a confidential letter to the president—and for the system's personnel records—that emphasizes current understandings, mutually agreed-upon short-term and long-term goals, and related matters. All expenses related to these five-year presidential reviews shall be covered by the chancellor's office.

APPENDIX F

Illustrative Statement of Board Member Commitment and Responsibilities

Note: This statement is adapted from a liberal arts college whose committee on trustees was asked by the governing board to draft it for discussion and approval following a self-study workshop. There is a decipherable trend for boards to develop similar statements of expectations for their individual members, especially among independent colleges and universities seeking criteria for trustee recruitment, orientation, and performance reviews. Public governing boards also will find the process and results to be satisfying and helpful. Everyone wins from a commitment to undertake such an effort, especially the institution.

For more than two centuries, _____ College has benefited from the devotion, service, and contributions of many thousands of its alumni and friends. From this broad constituency, a relative handful of individuals have been asked to assume the special responsibility and honor of serving as trustees. The performance of those invited to serve in this capacity is directly related to the institution's continued vitality and strength. Thus, it is essential that individuals who are invited to serve as trustees understand the responsibilities they are agreeing to fulfill.

Members of the board of trustees of _____ College serve as ultimate fiduciaries in their oversight of institutional affairs in accord with the college's charter, bylaws, evolving statements of mission and purposes, and institutional plans. In serving in this critical capacity collectively as a governing board, the trustees hereby clarify for themselves and for those invited to join them what is expected of its individual members.

All individual trustees are expected to have a deep and abiding commitment to the college's values and traditions as an exceptional liberal arts institution. In their words and deeds, trustees should dedicate themselves to upholding and strengthening the college's tradition of providing a high-quality liberal arts education to its students at a level of excellence commensurate with its reputation as one of the finest liberal arts colleges in the country.

Trustees should accept the responsibility of providing financial support to the college through personal contributions to annual giving and special fundraising campaigns and through participation in the solicitation of other individuals and organizations. The college should be a primary beneficiary of the trustee's personal philanthropy according to his or her means. As a guideline, the board of trustees has established a minimum annual goal of $5,000 *in any combination* of personal giving and successful solicitation of others, restricted or unrestricted—although it is highly desirable that at least a portion will be designated to the annual fund.

Trustees are expected to participate regularly in board meetings and to demonstrate familiarity with the materials distributed in advance. They should contribute to the board's efforts to make

informed and thoughtful decisions consistent with its fiduciary responsibilities and the college's mission. Trustees should assume expenses associated with board and other meetings.

Each trustee should serve willingly on at least one board committee and ordinarily should accept new assignments from the board chair from time to time. Each trustee also should freely express interest in other committee assignments to enable the college to take fuller advantage of his or her experiences and talents.

Trustees should participate in other board and college activities to the extent their time permits. Such participation strengthens their knowledge of the institution they hold in trust for the current and future generations and contributes significantly to the board's standing within the college community.

Trustees should actively promote the college to alumni, prospective students, donors, the media, the business community, elected officials, foundations, and the public at large. Such informed advocacy reflects favorably on their commitment to the college and can lead to advancing its reputation, growth, and prosperity.

Trustees at all times should serve the college as a whole, rather than any particular internal or external constituency. In this regard, trustees should not make judgments on the basis of information received from individuals or groups who have a perceived or real grievance or particular cause. Substantive information should be referred to the president or board chair. Only the president and the board chair are authorized to speak for the college or its governing board.

Trustees should contribute to the board's responsibility to distinguish between college management and its governance. The board should monitor the implementation of its policies but steer away from their administration.

Trustees should avoid any situation that could cause even the appearance of a conflict of interest in accord with the board's current policy governing conflicts of interest. Any potential or actual conflict should be disclosed to the board chair and handled in accord with board policy.

Trustees should refrain from asking the president or other members of the college community for special personal favors.

Trustees should maintain the confidentiality of the information conveyed in the board's executive sessions concerning personnel and other matters. Trustees should remember that their comments and utterances carry great weight with others and that the college can be easily placed at great disadvantage if discretion is not exercised at all times.

Trustees are elected by the full board for individual terms designated by the committee on trustees. In keeping with a mandate given it by the board of trustees, the committee on trustees is charged with reviewing the performance, meeting attendance, personal philanthropy, and other contributions of all board members who are eligible for renomination and reelection. Except as otherwise cited in the board's bylaws, trustees are eligible to serve for repeated renewable terms provided they maintain their commitment to the college and the board's work.

Holding a trusteeship at _____ College offers many rewards. They come from being an important participant in efforts to enhance the college's reputation and standing among exceptional liberal arts colleges, the intellectual stimulation that working in partnership with outstanding scholars and educators provides, and the appreciation that comes with dedicated service to current and future generations of young people.

APPENDIX G

Highlights of a National Survey of Presidential Performance Assessment Policies and Practices

Based on a national written survey of presidents and board chairs in early 1997, Merrill Schwartz wrote two reports published by the Association of Governing Boards in 1998 as Occasional Paper No. 34 (presidential assessment) and No. 35 (board assessment). Excerpts from the paper on presidential assessment are presented here. The response rate for academic chief executives was 64 percent (1,348 individuals responded). For information about survey methodology, please see the full report, which is available from AGB for a nominal charge.

The majority of responding presidents reported that they had opportunities to help determine the criteria and process by which good performance was determined (70 percent), set future goals and objectives that were the basis for assessment (66 percent), learned how his or her performance could be strengthened (65 percent), and became better informed about the board's expectations (59 percent).

Interestingly, 80 percent of the board chairs rated their chief executives' performance as either "outstanding" (49 percent) or "very satisfactory" (31 percent). But 26 percent of the chief executives said the review process could be improved, and 3 percent reported that the process did not improve their relationships with the board.

Table 1
Is there a written policy requiring assessment of the president's performance?

	Total %	Public %	Private %
No	40.4	30.8	46.7
Yes	56.7	66.4	50.4
NA	2.9	2.8	2.9
Total	**100**	**100**	**100**
If yes, type of policy:			
Board Policy	79.5	73.9	84.2
Legislative/Legal Requirement	3.9	6.8	1.5
Other Written Policy	10.9	11.6	10.2
NA	5.8	7.7	4.1
Total	**100**	**100**	**100**

Table 2
About how often is your performance supposed to be assessed?

	Total %	Public %	Private %
No requirement	13.5	10.0	15.8
No schedule	5.7	2.8	7.6
Schedule varies	5.4	3.0	7.0
Scheduled as indicated*	35.6	41.5	31.8
NA	39.8	42.6	37.9
Total	**100**	**100**	**100**
***Scheduled as indicated**			
Less than annually	0.6	0.9	0.4
Annually	84.2	90.9	78.5
Every 2 years	4.6	2.3	6.5
Every 3 years	5.2	2.7	7.3
Every 4 years	1.3	0.5	1.9
Every 5 years	3.5	1.8	5.0
Every 6+ years	–	–	–
Other	0.2	–	0.4
NA	0.4	0.9	–
Total	**100**	**100**	**100**

Table 3
Who was primarily responsible for conducting the assessment?

	Total %	Public %	Private %
Entire Board	26.6	51.7	8.2
Board Chair	26.3	15.9	34.0
Standing Committee	24.3	10.4	34.5
Other	9.4	11.8	7.7
Special Committee	8.9	5.9	11.1
External Consultant	1.0	0.9	1.0
NA	3.4	3.3	3.5
Total	**100**	**100**	**100**

Note: All totals have been rounded to 100%.

Table 4
How thoroughly were the following aspects of presidential performance covered in your most recent assessment?

	Satisfactorily %	n/a or Unsatisfactorily %	Undecided %	Total %
Administrative leadership	89.0	2.8	8.2	100
Budget and finance	86.4	2.9	10.6	100
External relations	84.8	4.3	10.8	100
Personal characteristics	83.5	3.2	13.2	100
Academic leadership	83.1	5.5	11.3	100
Fund-raising	78.2	4.5	17.2	100

Table 5
Institutions that used presidential reviews for discussions or decisions on specified conditions of employment:

	Total %	Public %	Private %
Salary adjustment	52.3	50.2	53.8
Contract renewal	48.1	54.7	43.2
Benefits adjustment	23.2	21.6	24.4
Bonus pay	16.9	10.2	21.8
Family considerations	10.5	4.3	15.2
Sabbatical leave	9.1	5.0	12.2
Other leave	8.0	7.8	8.2
Seminars/conferences	6.5	6.9	6.3

Table 6
Was the process used for your presidential assessment existing, revised, or new?

	Total %	Public %	Private %
New	55.6	47.4	61.7
Revised	20.4	23.2	18.3
Existing	17.4	24.9	11.8
Other	2.7	0.9	4.0
NA	3.9	3.6	4.2

Table 7
Which statements best describe your involvement in developing the process used for your presidential assessment? (check all that apply)

	Total %	Public %	Private %
No role in determining process	13.9	18.5	10.5
Consulted regarding the process	42.6	40.0	44.4
Approved of the process	16.8	14.0	18.8
Changes made at my request	9.4	9.0	9.8
Contributed to a new process	31.6	31.3	31.9
Primary role in new process	21.9	20.6	22.8
Other	1.3	1.1	1.4
NA	3.5	3.3	3.7

Note: Totals do not equal 100% due to multiple answers.

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Table 8
Were face-to-face meetings held with you and any of the following to discuss the results of the assessment?

	Total %	Public %	Private %
No	4.3	4.5	4.2
Yes	80.7	81.0	80.5
NA	15.0	14.5	15.3
Total	**100**	**100**	**100**
If yes, check all that apply:*			
Board chair, alone	50.2	39.8	58.0
Entire governing board	35.9	59.1	18.8
Some/all members of review committee	28.4	12.9	39.8
Chair of committee conducting review	14.8	8.8	19.3
Other	7.2	11.1	4.3
NA	1.1	1.8	0.6

**Totals do not equal 100% due to multiple answers.*

Table 9
Was a final report presented to the entire governing board? (board chairs' responses)

	Total %	Public %	Private %
No	19.6	10.5	24.2
Yes	74.7	86.2	68.9
NA	5.7	3.3	7.0
Total	**100**	**100**	**100**
If yes, written or oral?			
Oral only	42.2	25.2	52.9
Written only	7.7	13.7	3.8
Both	45.7	53.4	40.9
NA	4.4	7.6	2.4
Total	**100**	**100**	**100**

Table 10
Presidents' rating of feedback, trust, and openness in relationship with board.

	Satisfied or Very Satisfied		
	Total %	Public %	Private %
Feedback re: assessment	76.4	75.1	77.4
Feedback re: regular work	77.2	77.0	77.4
Level of trust and openness	88.1	84.1	90.9

Table 11
Rate your agreement with the following statements in terms of how well they describe your most recent experience with presidential assessment.

	Presidents Who Agree or Strongly Agree		
	Total %	Public %	Private %
Goals			
Specific future objectives were set	66.4	69.0	64.5
Made clear the criteria of good performance	69.6	66.8	71.6
Performance reviewed against agreed goals	65.7	68.7	63.4
Utility			
Learned how to strengthen my effectiveness	65.1	67.1	63.6
I learned a lot from the appraisal	51.5	53.3	50.2
It helped me see some of my shortcomings	57.8	57.8	57.8
It's clearer what the board expects of me	58.7	60.7	57.3
Satisfaction			
I was satisfied with the review	76.8	76.1	77.4
I feel good about how it was conducted	71.1	72.0	70.4
Many ways I would like it to be different*	26.4	28.9	24.6

**For this item, satisfaction was reflected by responses of "disagree" or "strongly disagree," which were as follows: Total–51.9%; Public–53.3%; Private–50.2%.*

Table 12
What was the impact of your most recent presidential assessment? (presidents' responses)

	Pos. %	Neg. %	Same %	n/a %	Total %
Feeling valued & appreciated	60.3	4.7	26.8	8.1	100
My compensation & benefits	57.0	0.1	18.9	24.0	100
My relations with the board	49.6	1.6	38.5	10.3	100
My performance since the last review	43.8	0.6	38.6	17.0	100
My ability to lead	42.5	1.7	43.2	12.6	100
Quality of feedback I get from board	40.1	2.9	45.4	11.6	100
My relations with the community	17.3	0.8	52.9	29.0	100
My relations with the faculty	15.1	1.3	55.3	28.3	100

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Table 13
What was the impact of the most recent presidential assessment? (board chairs' responses)

	Pos. %	Neg. %	Same %	n/a %	Total %
Pres's compensation & benefits	59.7	0.2	16.3	23.8	100
Pres's understanding of board's needs	50.9	1.5	33.9	13.7	100
Quality of feedback from board	50.4	1.3	35.7	12.5	100
Pres's performance since last review	46.5	2.0	36.6	15.0	100
Pres's relations with the board	45.8	2.9	38.5	12.8	100
Pres's ability to lead	43.2	1.8	40.3	14.7	100
Pres's relations with the community	23.6	1.3	49.6	25.5	100
Pres's relations with the faculty	22.5	2.0	52.0	23.5	100

Note Scale:
Positive = generally or somewhat increased and improved,
Negative = generally or somewhat decreased or became worse,
Same = stayed about the same, and n/a = not applicable or no answer.

Table 14
If you [the board chair] were to translate the president's most recent performance review into an overall rating, how did the board (or designees) rate the president's performance?

	Total %	Public %	Private %
Outstanding	48.7	55.3	45.4
Very satisfactory	31.3	28.3	32.8
Satisfactory	11.5	10.5	11.9
Unsatisfactory	0.9	1.3	0.7
Very unsatisfactory	–	–	–
NA	7.7	4.6	9.3
Total	100	100	100

Table 15
What assistance, if any, would be helpful to you or your board for future assessments? (check all that apply)

	Presidents			Board Chairs		
	Total %	Pub. %	Pri. %	Total %	Pub. %	Pri. %
Sample checklist of performance criteria	59.3	52.8	64.1	68.3	63.8	70.5
Sample evaluation forms	53.2	48.1	57.0	59.0	59.2	58.9
Literature on presidential assessment	45.8	41.5	49.0	56.2	46.1	61.3
Sample evaluation policies	45.3	38.9	50.0	47.8	44.7	49.3
Summary data from this survey	38.4	34.1	41.5	47.6	44.7	49.0
Workshops for chairs or trustees	21.0	25.6	17.6	17.0	21.7	14.6
Workshops for presidents	14.4	17.3	12.2	8.4	11.2	7.0
Informal counsel by phone	10.4	8.8	11.7	9.3	7.2	10.3
Presidential assessment consulting services	6.3	7.3	5.6	3.5	3.3	3.6

APPENDIX H

Highlights of a National Survey of Board Performance Assessment Policies and Practices

Based on a national written survey of presidents and board chairs in early 1997, Merrill Schwartz wrote two reports published by the Association of Governing Boards in 1998 as Occasional Paper No. 34 (presidential assessment) and No. 35 (board assessment). Excerpts from the paper on board assessment are presented here. The response rate for board chairs was 33 percent (535 individuals responded). For information about survey methodology, please see the full report, which is available from AGB for a nominal charge.

With regard to board assessment practices—unfortunately still a less common occurrence than presidential assessment—68 percent of responding board chairs reported their most recent experience helped their boards focus on institutional and strategic planning issues; 58 percent reported attention being given to matters of institutional mission and educational policy; 53 percent reported attention to group process and board function issues; and 44 percent reported focus on board goals. Responding board chairs reported several other useful outcomes in the survey, with some interesting differences between public and private institutions.

Especially interesting is the report from public institution board chairs that presidential and board assessments were conducted together only 20 percent of the time; in private institutions, this occurred only 9 percent of the time, according to their board chairs. Perhaps this should not be surprising since it is now common practice for chief executive reviews to be conducted annually and for board reviews to be conducted much less frequently or not at all. Of more concern, however, is the fact that most institution boards do not have traditions, policies, or established schedules for self-assessment of any kind.

On the other hand, boards that did conduct reviews of their performance within the preceding five years were "very satisfied" (16 percent) or "satisfied" (58 percent) with their experiences. Overall, the board chairs rated their boards as "outstanding" (14 percent) or "very satisfactory" (51 percent) with public-sector board chairs being slightly more pleased with their board's performance than private-sector board chairs. Interestingly, board chairs seemed to be much more pleased with the performance of their chief executives than with that of their boards.

Table 1
Who is primarily responsible for initiating board self-assessment activities?

	Total %	Public %	Private %
Board Chair	44.1	52.3	39.8
No one	23.5	27.6	21.2
Standing Committees	12.1	1.0	18.0
Executive Committee	7.0	2.5	9.4
Pres. of Institution	4.9	5.0	4.8
Other	0.9	1.0	0.8
Don't know/NA	7.6	10.5	6.0
Total	**100**	**100**	**100**

Table 2
On what basis are board self-assessment activities initiated?

	Total %	Public %	Private %
No policy or tradition of board self-assessment	56.9	57.8	56.5
By tradition, the board evaluates its own performance periodically	26.8	23.1	28.8
Board policy requires periodic board self-assessment	6.5	8.0	5.6
Other	2.5	3.0	2.0
Don't know/NA	7.4	8.0	7.0
Total	**100**	**100**	**100**

Table 3
Either by written board policy or tradition, about how often are board assessments supposed to be conducted?

	Total %	Public %	Private %
No requirement or tradition of board self-assessment	43.3	44.7	42.5
Once a year	18.2	25.1	14.5
Every two or three years	12.1	6.5	15.1
Every four or five years	3.0	1.5	3.8
Less often than every five years	1.1	1.0	1.1
Periodically, not a set time	13.0	11.1	14.0
Other	1.1	2.0	0.5
Don't know/NA	8.4	8.0	8.7
Total	**100**	**100**	**100**

Table 4
Has the governing board conducted a board self-assessment within the past five years?

	Total %	Public %	Private %
No	48.2	55.3	44.4
Yes	46.6	42.2	48.9
Don't know/NA	5.3	2.5	6.8
Total	**100**	**100**	**100**

Note: All totals have been rounded to 100%.

Table 5
Did the board use a facilitator from outside of the institution to conduct the last assessment?

	Total %	Public %	Private %
No	66.2	77.4	61.0
Yes	32.3	20.2	37.9
Don't know/NA	1.5	2.4	1.1
Total	**100**	**100**	**100**

Table 6
What was the setting for the last discussion of the board's performance?

	Total %	Public %	Private %
A board retreat	51.9	77.4	40.1
A board meeting	31.2	15.5	38.5
A meeting of board leaders or committee	9.4	2.4	12.6
Other	5.3	2.4	6.6
Don't know/NA	2.3	2.4	2.1
Total	**100**	**100**	**100**

Table 7
In what ways, if any, was the last board self-assessment related to assessment of the president's performance?

	Total %	Public %	Private %
President assessed at another time	70.7	64.3	73.6
No process for presidential assessment	7.1	2.4	9.3
Presidential and board assessment are done together	12.8	20.2	9.3
Other	5.6	7.1	4.9
NA	5.3	7.1	4.4
Total	**101.5**	**101.1**	**101.5**

Note: Totals exceed 100% due to multiple responses.

Table 8
What aspects of board and presidential relations were included in the board assessment? (check all that apply)

	Total %	Public %	Private %
Board information needs	62.0	67.9	59.3
Board support for the president	59.0	65.5	56.0
Policy making and management	57.9	66.7	53.8
Board orientation and education	52.3	51.2	52.7
Fund-raising	43.6	26.2	51.6
Trustee selection	33.5	9.5	44.5
Presidential succession planning	10.9	4.8	13.7
Other	4.9	7.1	3.8
None of the above	4.9	3.6	5.5
NA	9.0	7.1	9.9

Table 9
Does the board have a process for assessing the performance of individual members?

	Total %	Public %	Private %
No	69.7	91.5	58.1
Yes	27.3	6.0	38.7
NA	3.0	2.5	3.2
Total	**100**	**100**	**100**

Table 10
What are the criteria for individual trustee assessment? (check all that apply)

	Total %	Public %	Private %
Attendance	91.7	75.0	93.1
Committee work	80.1	50.0	82.6
Personal financial support	68.6	8.3	73.6
Fund-raising assistance	56.4	–	61.1
Varies according to individual	48.7	41.7	49.3
Public relations efforts	33.3	16.7	34.7
Other	10.3	33.3	8.3
Don't know/NA	3.3	25.0	1.4

Table 11
What was the impact of the last board self-assessment?

	Better	Worse	Same	n/a
Trustee commitment	62.0*	0.8	30.1	7.2
Clarity of trustees' roles and responsibilities	56.8	1.5	34.2	7.5
Clarity of board priorities	53.4	1.5	34.6	10.5
Board/president relations	47.4	1.1	42.1	9.4
Content of board agendas	47.0	0.8	40.2	12.0
Use of board's time	46.6	1.5	36.5	15.4
Trustee orientation or education	45.5	1.9	39.1	13.5
How board meetings are conducted	43.2	1.1	43.2	12.4
Board structure	33.1*	0.4	50.0	16.5
Board composition	28.6*	0.4	50.0	21.0

**There were differences by sector. Responses of "better" by private-sector boards were more than 15 percentage points higher than those of public-sector boards.*

Table 12
How satisfied do you think the board was with the process for the last board assessment?

	Total %	Public %	Private %
Very satisfied	15.8	14.3	16.5
Satisfied	58.3	59.5	57.7
Unsatisfied	4.1	2.4	4.9
Very unsatisfied	11.3	11.9	11.0
Don't know/NA	10.5	11.9	9.9
Total	**100**	**100**	**100**

Table 13
In your opinion, what would improve the board's self-assessment process? (check all that apply)

	Total %	Public %	Private %
Greater commitment from board, higher participation rate	31.2	35.7	29.1
New board policy on board assessment	24.8	15.5	29.1
Better facilitation/an experienced consultant	21.1	25.0	19.2
Written materials, such as self-study criteria	31.6	32.1	31.3
Other	5.6	4.8	6.0
Don't know/NA	24.8	23.8	25.2

Table 14
What are the greatest barriers to board self-assessment? (check all that apply)

	Total %	Public %	Private %
Lack of clear benchmarks for good board performance	48.2	47.7	48.4
Lack of good models for an assessment process	40.6	41.7	40.1
Lack of interest among trustees	30.5	33.2	29.0
Lack of time	27.0	21.6	29.8
Lack of interest by president	7.4	8.0	7.0
Expense	3.9	3.0	4.3
Other	7.7	12.6	5.1
NA	9.8	8.5	10.5

Table 15
Overall, how would you rate your board's performance?

	Total %	Public %	Private %
Outstanding	14.5	22.6	10.2
Very satisfactory	50.8	46.2	53.2
Satisfactory	29.2	26.6	30.6
Unsatisfactory	0.9	1.0	0.8
Very unsatisfactory	0.5	0.5	0.5
Don't know/NA	4.1	3.0	4.6
Total	**100**	**100**	**100**

Table 16
What assistance, if any, is of interest to you? (check all that apply)

	Total %	Public %	Private %
Literature on board assessment	62.9	57.8	65.6
Sample trustee position descriptions	34.5	30.7	37.1
Sample board evaluation forms	72.7	68.8	74.7
Sample board evaluation policies	58.8	55.3	60.8
Workshop or training for presidents	5.8	4.0	6.7
Workshop or training for chairs & trustees	25.6	29.1	23.7
Names of consultants	6.3	4.5	7.3
Board assessment consultation services	8.8	6.5	9.9
Informal counsel by telephone	7.4	6.5	7.8
Summary data from this survey	45.4	44.2	46.0
NA	9.5	9.5	9.4

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APPENDIX I

Suggested Readings

"AGB Statement on Institutional Governance." Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1999.

Adopted by the AGB Board of Directors on November 8, 1998, the statement was inspired by the work of the national Commission on the Academic Presidency and insights gathered from college and university chief executives, trustees, administrators, and faculty members from public and independent higher education. Not intended as a prescriptive document, it is a resource for discussion on the topic of governance policies and practices. Seven principles are outlined, along with six standards of good practice. Issues related to external stakeholders are also addressed. Published as part of the AGB Board Basics Series.

Renewing the Academic Presidency: Stronger Leadership for Tougher Times. Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1996.

This landmark report of the Commission on the Academic Presidency, chaired by former Virginia Governor Gerald L. Baliles, has a variety of recommendations for presidents, boards, faculty, and public officials. It calls for collaboration to reshape shared governance with an eye toward strengthening the ability of presidents to lead.

Birnbaum, Robert. *How Academic Leadership Works: Understanding Success and Failure in the College Presidency.* San Francisco: Jossey-Bass Publishers, 1992.

The author reveals the complex factors that influence the real and perceived effectiveness of academic leaders. He explains how college and university leaders at various types of institutions interact and communicate; assess their own and others' effectiveness; establish goals; transmit values; and make sense of the ambiguous and dynamic organizations in which they work.

Brudney, Jeffrey L. and Vic Murray. "Do Intentional Efforts to Improve Boards Really Work? The View of CEOs." *Nonprofit Management and Leadership*, Vol. 8, no. 4 (Summer 1998), pp. 333-348.

A mail survey sent to chief executives of 3,310 Canadian nonprofit organizations in 1994 looks at the intentional changes boards attempt to make, what triggers these efforts, and the resulting changes. Findings showed that 72 percent of chief executives indicated that their boards had intentionally undergone change efforts in the last three years. Typically, changes occurred in areas such as board responsibilities (69 percent), committee structure (65 percent), and board meeting proce-

dures (59 percent). What problems prompted change by the board? Results clustered around four factors: (1) confusion over the board's responsibilities, (2) having the wrong kind of people on the board, (3) decision-making problems, and (4) problems with board meetings and committees. In the majority of cases, change occurred when several people (especially the chief executive and board chair) acted together. Survey results suggest a positive link between planned board change and sound financial health of nonprofits.

Chait, Richard P., Thomas Holland, and Barbara E. Taylor. *The Effective Board of Trustees.* New York: American Council on Education and Macmillan Publishing Company, 1991.

What makes one board of trustees more effective than another? Based on interviews with more than 100 trustees at 22 independent colleges, the authors identify six skill sets that characterize effective boards. This volume also contains recommendations, exercises, and discussion questions for boards to use to improve their own performance, as well as specific steps presidents can take to strengthen their board's performance.

Chait, Richard P., Thomas Holland and Barbara E. Taylor. *Improving the Performance of Governing Boards.* Phoenix: American Council on Education and Oryx Press, 1996.

Based on a multiyear research study, this book explains how boards can raise their level of competence. The authors offer specific, field-tested recommendations on how to start and sustain board development, evaluate board performance, transform trustees into a cohesive board, focus strategically, and maximize board meetings and structure to do business better. Charts, quotes, and sample documents highlight the text.

Chater, Shirley S. "Supporting the President and Assessing the Presidency." In *Governing Independent Colleges and Universities: A Handbook for Trustees, Chief Executives, and Other Campus Leaders.* San Francisco: Jossey-Bass Publishers, 1993. pp. 128-138.

Presidential assessment is not only one of the key responsibilities of boards but a process that can "strengthen the president's position and improve performance." Chater looks at assessment in building board-president relations, the nature of assessment, and the components of the assessment process. Assessment involves (1) agreement between the board and president on a date for and the criteria used in the review, (2) submission of a self-evaluation by the president and its review by the board, (3) discussion of the review's results in confidence between the president and select trustees, and (4) disclosure of the evaluation's results to the full board.

Conger, Jay A., Edward E. Lawler III, and David Finegold. "Evaluating Individual Directors." *Directors and Boards,* Vol. 22, no. 2 (Winter 1998).

The authors' research on for-profit directorship indicates that while most institutional investors are in favor of performance evaluations for individual board members, most directors are opposed. Why the opposition to individual assessments? Some directors and chief executives are concerned such evaluations would undermine the collegiality of the board, make board membership less attractive, and diminish the importance of the board as a team. Board members also are concerned about the difficulty of establishing specific evaluation criteria and that contributions or competencies of some members may not be valued equally. Results of a Korn/Ferry survey of more than 1,000 directors indicate that a board's overall effectiveness is rated higher by board members in cases where individual assessment procedures are in place. What are some of the dimensions of director behavior to assess? Factors may include knowledge of the organization, skills and abilities of senior management, willingness to take initiative, level of preparation for meetings, number of meetings attended, ability to speak candidly, integrity, motivation, and ability to interact with outsiders.

Crowley, Joseph N. *No Equal in the World: An Interpretation of the Academic Presidency.* Reno, Nev.: University of Nevada Press, 1994.

This book is both an interpretive bibliography of works on the changing nature of the academic presidency since the middle of the 19th century, and a "compendium of wise counsel to presidents...." Crowley surveys biographies of presidents, novels set in academic environments, and sociological and historical works, among other forms of literature, to provide a picture of the role of the academic president both on campus and in society.

Futter, Victor and George W. Overton. *Nonprofit Governance: The Executive's Guide.* Edited by Victor Futter and George W. Overton. Chicago: American Bar Association, Section of Business Law, 1997.

Designed to train new boards and directors, this book describes the roles and responsibilities of board members and the composition and operation of boards. Chapters address the development of mission statements, bylaws, strategic plans, and records management systems; the liability, accounting, and tax issues that should concern boards; and how to organize board retreats and other training opportunities.

Heidrick, Robert L. "Board Evaluations: Who Does Them, Who Doesn't and Why." *Corporate Board: The Journal of Corporate Governance*, Vol. 20, no. 115 (March-April 1999).

In 1998, Heidrick & Struggles surveyed chairs of the 3,000 largest U.S. companies to ascertain if and how they used board and director evaluations, and to collect their opinions on the effectiveness of these programs. Less than half the respondents reported their companies had ever conducted a board evaluation, and they had begun within the last five years. Less than one out of five had ever conducted individual director evaluations. While 59 percent had never conducted a board evaluation, 23 percent were considering a formal evaluation program. Nine out of ten companies employing evaluations reported increased board productivity; specific benefits are outlined. Eighteen percent reported using individual director evaluations. Of this number, three quarters began programs within the last three years. However, 21 percent reported that their companies were planning to implement such evaluations in the future. While 50 percent of companies with individual evaluation programs felt the process created some problems, the author believes they can be overcome with clear communication regarding the evaluation's purpose and by keeping results confidential.

Ingram, Richard T. *Effective Trusteeship: A Guide for Board Members of Independent [Public] Colleges and Universities.* Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1995.

This fast-reading primer answers every trustee's basic questions: What are a governing board's responsibilities? What are your responsibilities as an individual board member? How does policy differ from administration? What should board members and chief executives expect of one another? How should a board recruit and appoint a chief executive? This guide also features sample statements of responsibilities and desirable qualifications, a list of resources, and detailed appendices. Important reading for new trustees who need help getting started and for experienced trustees who need a refresher.

Ingram, Richard T. and Associates. *Governing Independent [Public] Colleges and Universities: A Handbook for Trustees, Chief Executives, and Other Campus Leaders.* San Francisco: Jossey-Bass Publishers, 1993.

This handbook is the definitive resource for the information, ideas, alternatives, standards, and encouragement necessary to maximize board effectiveness and improve board performance. It provides practical information and expert guidance on all major responsibilities of governing boards and virtually every issue or topic likely to

be addressed in academic boardrooms, including board chair-chief executive relations, board functions and duties, board development and staffing, and performance assessment.

Kauffman, Joseph F. "Presidential Assessment and Development." In *Developing and Evaluating Administrative Leadership: New Directions for Higher Education, no. 22.* San Francisco: Jossey-Bass Publishers, 1978. pp. 59-69.

Effective presidents must assume management roles for their institutions as well as leadership and political roles that are far more difficult to evaluate. The presidential performance assessment process is further complicated by the movement away from single-campus structures to the growing phenomenon of multicampus systems. Kauffman looks at how the evolution of the higher education community has affected evaluation, resistance, and political factors that come into play during formal evaluations, the needs of presidents, and the criteria used in evaluations.

Kauffman, Joseph F. "Supporting the President and Assessing the Presidency." In *Governing Public Colleges and Universities: A Handbook for Trustees, Chief Executives, and Other Campus Leaders.* San Francisco: Jossey-Bass Publishers, 1993. pp. 126-146.

Kauffman examines how the board of trustees can provide the special level of support needed by new presidents, ensure the continued success of a president, and conduct presidential performance assessments that benefit boards and their chief executives. The assessment process provides an opportunity for trustees to examine not only the goals and priorities of presidents but those of the institution and the board as well. Kauffman also looks at some of the questions to consider throughout the evaluation process, the role of politics, how to develop objective performance criteria, and typical methods and procedures used. Differences in performance assessment practices at several multicampus and state systems are described.

Kerr, Clark and Marian Gade. *The Guardians: Boards of Trustees of American Colleges and Universities; What They Do and How Well They Do It.* Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1989.

This seminal study describes what makes governing boards effective. Based on wide-ranging interviews and surveys of board chairs, presidents, and leaders of faculty organizations, this report card on the state of American governing boards focuses on whether boards are essential to the functioning of higher education, whether boards work as effectively as they can, and whether their roles are subject to erosion. A copy of the survey instrument is included.

Kerr, Clark and Marian Gade. *The Many Lives of Academic Presidents: Time, Place and Character.* Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1986.

Based in part on interviews with more than 800 presidents, former presidents, spouses, and others, this is a comprehensive study of the academic presidency and the men and women who fill that challenging position. Kerr and Gade peel away traditional clichés to reveal the job as it really exists—and the reality of how decision making and leadership work on campus. Their research examines (1) the career paths of presidents and why they serve; (2) their roles and leadership strategies; (3) the historical, environmental, and institutional contexts in which presidents operate; (4) the nature of power and governance; and (5) the policies of trustees and presidents.

Longenacker, Clinton O. and Dennis A. Gioia. "Neglected at the Top: Executives Talk About Executive Appraisal," *Sloan Management Review,* Vol. 29, no. 2 (Winter 1988), pp. 41-47.

Many senior corporate executives feel their performance appraisals are of poor quality, are given only infrequently, and do not provide details

necessary to enable them to improve their performance. Of the 60 executives interviewed, more than 40 percent had not been given a formal performance review in the last year. To improve the appraisal process, consider making it a more formal procedure and incorporating a performance planning component into the review process.

Malloy, Edward A. C.S.C. *Monk's Reflections: A View From the Dome.* Kansas City, Mo: Andrews McMeel Publishing Company, 1999.

The president of the University of Notre Dame shares his thoughts about the academic presidency, teaching and scholarship within a university, and some of the nonacademic facets of campus life, such as athletics and religious mission and identity.

Munitz, Barry. "The Chief Executive Officer and the Administrative Reward System." National Forum: *Phi Kappa Phi Journal,* Vol. 60, no. 2 (September 1980), pp. 10-14.

Munitz examines faculty attitudes about their college presidents and their involvement in the presidential evaluation process.

Munitz, Barry. *Leadership in Colleges and Universities: Assessment and Search.* Oak Brook, Ill: Johnson Associates, Inc. 1977.

This workbook is designed to walk governing boards and their presidents through a systematic evaluation of their relationship and to provide a framework for assessing the chief executive officer. Munitz presents an overview of the presidential performance-assessment process; explores underlying assessment issues and the difficulties that may arise; and looks at preliminary requirements, such as identifying the initial items for decision, selecting a consultant, and collecting documents for the review. The workbook also provides information about the release of the trustees' statement about the review, preparation of the president's self-assessment statement, construction of an assessment worksheet, and agenda schedule.

Munitz, Barry. "Measuring a President's Performance." *AGB Reports,* Vol. 18, no.1 (January/February 1976), pp. 36-40.

In the turbulent era of the 1960s and 1970s, with increasing calls for accountability and financial control, president-board relations are vital. Evaluation is more critical than ever and should be done in a systematic way based on mutually agreed-upon goals and objectives. Systematic assessment offers both the president and board areas to examine that may have been previously taken for granted. The president's goals statement should outline (1) expectations and objectives upon assuming the presidency, (2) the success of those objectives, (3) modifications that will be made, (4) critical issues affecting the office and how objectives will be changed to meet those needs, (5) leadership criteria, and (6) current responsibilities compared to those in previous positions held. Working with a consultant, the board then develops a metaphor, or "evaluative frame of reference," to provide desired assessment criteria. Munitz also defines some of the issues that boards will have to consider when devising assessment criteria and how this process can ultimately strengthen presidential leadership.

Nason, John W. "Another Look at Presidential Selection and Evaluation." *Community and Junior College Journal,* Vol. 50, no. 1 (September 1979), pp. 9-11.

Nason examines both the community college presidential selection and performance-assessment processes, with particular attention to the role of the selection committee, how to establish selection criteria and screen potential candidates, and the reasons for periodic evaluations.

Nason, John W. *Presidential Assessment: A Guide to the Periodic Review of the Performance of Chief Executives.* Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1984.

This book advocates appropriate methods of evaluating the chief executive and shows how to

develop procedures appropriate to the institution. It describes basic issues (including the purposes of evaluations, formal versus informal evaluations, and the president's self-assessment) as well as more complex issues (the demeanor of the board and campus, necessary components of effective evaluations, and the role of others' views in presidential assessment). Includes guidelines and sample forms.

Report of the NACD Blue Ribbon Commission. *Performance Evaluation of Chief Executive Officers, Boards, and Directors: Including Guidelines for Director Selection and Compensation.* Washington, D.C.: National Association of Corporate Directors, 1994.

This report focuses on the benefits, key components, and measures used in evaluating and compensating corporate chief executive officers and in selecting and evaluating directors. Appendices outline elements of position descriptions for the chairman and CEO. Also includes sample CEO and board evaluation forms and a director selection and development checklist.

Schwartz, Merrill Pellows. "Assessing the Performance of Academic Presidents." Ph.D. dissertation. University of Maryland, College Park, 1998.

Previous research on assessing the performance of college and university presidents reveals little about the procedures used, or the consequences of, those reviews, beyond that most presidents are evaluated annually by the governing board. Much of the literature is based on anecdotal evidence and claims that reviews often are too poorly conducted and harmful to presidents—though the practice is widespread, and little is known about presidents' experiences with performance reviews. Through a national survey, this study examines the processes used to evaluate the performance of academic presidents, the outcomes of these reviews, the relationships between how assessments are conducted and the outcomes reported. Respondents included 1,348 college and university presidents (64 percent response rate) and 535 governing board chairs (33 percent response rate). Findings revealed that most presidential assessments were confidential, limited in participation to trustees, completed in about one month, included a self-assessment statement and face-to-face meetings with members of the board, and usually resulted in an increase in compensation. This described an informal review process and was similar to the process recommended for most corporate CEOs. Contrary to claims of critics, most presidents were satisfied with the way their review was conducted and found it to be useful; very few presidents or board chairs reported any negative impact for presidents from reviews.

Schwartz, Merrill Pellows. "A National Survey of Board Performance Assessment Policies and Practices." AGB Occasional Paper No. 35. Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1998.

In 1997, Merrill Schwartz surveyed presidents and board chairs of American colleges and universities regarding board and presidential assessment policies and practices. A large population of presidents (2,112) and board chairs (1,627) was included in the study, and the response rate was high—64 percent (1,348) for presidents and 33 percent (535) for board chairs (of institutions not in systems). This report includes responses from 36 chairs of multicampus system boards, in addition to the 535 campus-based board chairs, for a total of 571. The responses of board chairs of single and multicampus institutions are reported together and address policies, guidelines, and practices for assessing board performance; the president and the board; board leadership; the performance of individual board members; and the outcomes of board self-assessment activities. Data about actual practices for board assessment are based on the responses of board chairs whose boards conducted a performance assessment within the past five years. The survey addresses these areas, among others: (1) the parties typically responsible for initiating board assessment activities, (2) whether most institutions have written policies requiring board performance assessments, (3) the frequency of assessments, (4)

the use of outside facilitators to help conduct the assessment, (5) the key issues on which the process usually focuses, and (5) the indicators used to evaluate the board's performance.

Schwartz, Merrill Pellows. "A National Survey of Presidential Performance Assessment Policies and Practices." AGB Occasional Paper No. 34. Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1998.

This Occasional Paper reports data regarding presidential assessment policies and practices and includes a description of the "typical" presidential assessment process constructed from the most frequent survey responses. Presidents responded to questions regarding the process used for their most recent assessment and its outcomes. Board chairs responded to questions regarding the outcomes of the most recently completed presidential assessment at their institution. In most cases, data are reported for public and independent institutions combined, unless there was a difference between the sectors of ten percentage points or more. The survey addresses the following issues, among others: (1) the frequency of board assessment of the chief executive, (2) the length of time involved, (3) the responsible parties, (4) the functional areas explored, (5) the typical outcomes, (6) whether the assessment process is tied to compensation, and (7) how satisfied board chairs and presidents are with their institution's review process. Results are based on responses from 1,348 presidents and 535 board chairs.

Seldin, Peter. "Evaluating and Developing the President." In *Evaluating and Developing Administrative Performance: A Practical Guide for Academic Leaders.* San Francisco: Jossey-Bass Publishers, 1988. pp. 191-212.

Seldin looks at the trend toward adoption of formal presidential evaluation processes, the skills and characteristics that may define effective presidents, and the criteria, methods, and models of presidential assessment practices.

Taylor, Barbara E. "Assessing Board Performance." In *Governing Independent [Public] Colleges and Universities: A Handbook for Trustees, Chief Executives, and Other Campus Leaders.* San Francisco: Jossey-Bass Publishers, 1993. pp. 344-359.

Taylor stresses that successful boards engage in self-reflection and recognize that assessment is just one component of an ongoing board-development process. The board-assessment process involves setting goals and standards for achievement, developing self-assessment instruments (such as AGB's Self Study Criteria), considering the use of outside facilitators, and recognizing the board leadership's role in supporting and leading the process. Board retreats offer an ideal setting for assessment discussions. Retreat activities include agreement on shared assumptions; the development of a profile of board goals, structure, and practices; the resolution to proceed with the retreat; appointment of an agenda committee; the gathering of information; hosting the event; and managing post-retreat tasks.

Thain, Donald H. and David S. R. Leighton. "Improving Board Effectiveness by Evaluating Director Performance," *Business Quarterly*; Vol. 57, no. 2 (Autumn 1992).

If board chairs do not take the lead in defining the job of the corporate director and in implementing performance standards, measures, feedback mechanisms, and reward systems, there is evidence that outsiders will assume these leadership roles. This article looks at the perceived growing ineffectiveness of boards, the limited literature available on board evaluation, and the pivotal role of the board chair in achieving board effectiveness. The components of the evaluation process from the development of a position description and performance measures to evaluation and action are also defined. A sample position description and standards of performance of directors are included.

Zander, Alvin. *Making Boards Effective: The Dynamics of Nonprofit Governing Boards.* San Francisco: Jossey-Bass Publishers, 1993.

This text looks at the interpersonal dynamics of boards, the reasons behind their actions and how these dynamics affect their overall performance, commitment to the organization, and decision-making processes. The introduction looks at the qualities of effective boards. Part One focuses on the internal workings of boards—their common purposes, objectives, goals; the issues that affect their success or failure; and the conditions under which they make decisions. Part Two examines how boards work with their constituent groups. Such workings include gaining grassroots support for board decisions, responding to social and other pressures, tackling conflict, increasing the board's ability to make decisions, and establishing a board performance review process. The basic components of a feedback system and questions to consider when evaluating the effectiveness of boards are provided.

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